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# LEGISLATIVE HISTORY

|                |                                                                                                                                |
|----------------|--------------------------------------------------------------------------------------------------------------------------------|
| July 17, 1962  | Sen. Humphrey introduced S. 3587 which was referred to the Senate Banking and Currency Committee. Print of bill as introduced. |
| July 19, 1962  | Rep. Keane introduced H. R. 12628 which was referred to the House Banking and Currency Committee. Print of bill as introduced. |
| July 20, 1962  | House Committee voted to report H. R. 12628.                                                                                   |
| July 25, 1962  | House Committee voted to report H. R. 12628.                                                                                   |
| July 25, 1962  | House Committee reported H. R. 12628 with amendments. H. Report No. 2052. Print of bill and report.                            |
| Aug. 1, 1962   | Summary of H. R. 12628 as reported by House.                                                                                   |
| Aug. 27, 1962  | House passed, 367 to 62, H. R. 12628 under suspension of the Rules.                                                            |
| Aug. 28, 1962  | H. R. 12628 was referred to the Senate Banking and Currency Committee. Print of bill as referred.                              |
| Sept. 17, 1962 | Senate Committee reported H. R. 12628 without amendment. S. Report No. 2047. Print of bill and report.                         |
| Sept. 18, 1962 | Senate passed H. R. 12628 without amendment.                                                                                   |
| Sept. 20, 1962 | Approved: Public Law 87-723.                                                                                                   |

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LEGISLATIVE HISTORY

H. R. 12628  
Public Law 87-723

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INDEX AND SUMMARY OF H. R. 12628

- July 17, 1962 Sen. Sparkman introduced S. 3559 which was referred to the Senate Banking and Currency Committee. Print of bill as introduced.
- July 19, 1962 Rep. Rains introduced H. R. 12628 which was referred to the House Banking and Currency Committee. Print of bill as introduced.
- July 24, 1962 House subcommittee voted to report H. R. 12628.
- July 26, 1962 House committee voted to report H. R. 12628.
- July 28, 1962 House committee reported H. R. 12628 with amendment. H. Report No. 2052. Print of bill and report.
- Aug. 1, 1962 Summary of H. R. 12628 as reported by House.
- Aug. 27, 1962 House passed, 367 to 62, H. R. 12628 under suspension of the rules.
- Aug. 28, 1962 H. R. 12628 was referred to the Senate Banking and Currency Committee. Print of bill as referred.
- Sept. 13, 1962 Senate committee reported H. R. 12628 without amendment. S. Report No. 2049. Print of bill and report.
- Sept. 18, 1962 Senate passed H. R. 12628 without amendment.
- Sept. 28, 1962 Approved: Public Law 87-723.

# INDEX AND SUMMARY OF H. R. 12628

|                |                                                                                                                                |  |
|----------------|--------------------------------------------------------------------------------------------------------------------------------|--|
| Sept. 28, 1962 | Approved: Public Law 87-723.                                                                                                   |  |
| Sept. 18, 1962 | Senate passed H. R. 12628 without amendment.                                                                                   |  |
| Sept. 13, 1962 | Senate committee reported H. R. 12628 without amendment. S. Report No. 2049. Print of bill and report.                         |  |
| Aug. 28, 1962  | H. R. 12628 was referred to the Senate Banking and Currency Committee. Print of bill as referred.                              |  |
| Aug. 27, 1962  | House passed, 367 to 62, H. R. 12628 under suspension of the rules.                                                            |  |
| Aug. 1, 1962   | Summary of H. R. 12628 as reported by House report.                                                                            |  |
| July 28, 1962  | House committee reported H. R. 12628 with amendment. H. Report No. 2052. Print of bill and report.                             |  |
| July 26, 1962  | House committee voted to report H. R. 12628.                                                                                   |  |
| July 24, 1962  | House subcommittee voted to report H. R. 12628.                                                                                |  |
| July 19, 1962  | Rep. Rains introduced H. R. 12628 which was referred to the House Banking and Currency Committee. Print of bill as introduced. |  |
| July 17, 1962  | Sen. Sparkman introduced S. 3559 which was referred to the Senate Banking and Currency Committee. Print of bill as introduced. |  |

SENIOR CITIZENS HOUSING ACT OF 1962. Authorizes additional funds to provide low and moderate cost housing for the elderly in urban and rural areas. Authorizes \$50 million additional in loan funds for Farmers Home Administration rural housing loans to the elderly (aged 62 or over) for the purchase, construction, or improvement of dwellings in rural areas for their own use. Authorizes the appropriation of \$50 million to a newly established FHA revolving fund for direct loans to private nonprofit corporations and consumer cooperatives to provide rental housing for elderly persons of low or moderate income in rural farm and nonfarm areas. Establishes a new program under which the Secretary of Agriculture may, until June 30, 1964, insure loans made to individuals, corporations and other entities to provide rental housing for elderly persons in rural farm and nonfarm areas, including authority to accumulate an interim loan portfolio not to exceed \$10 million. Increases from \$500 to \$1,000 the maximum amount of a grant for minor improvements by owner-occupants of rural housing whose incomes are so low that they cannot qualify for loans from any source.









87TH CONGRESS  
2D SESSION

# S. 3559

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## IN THE SENATE OF THE UNITED STATES

JULY 17, 1962

Mr. SPARKMAN introduced the following bill; which was read twice and referred to the Committee on Banking and Currency

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## A BILL

To amend title V of the Housing Act of 1949 to authorize direct and insured loans to provide housing for elderly persons and families in rural areas, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*  
3 That (a) section 501 of the Housing Act of 1949 is  
4 amended—

5 (1) by striking out the period at the end of subsec-  
6 tion (a) and inserting in lieu thereof the following: “  
7 and (3) elderly persons who are or will be the own-  
8 ers of land in rural areas for the purchase, construction,  
9 improvement, alteration, or repair of dwellings and re-  
10 lated facilities, including the purchase of land constitut-

ing a minimum adequate site, in order to provide them with adequate dwellings and related facilities for their own use.”;

(2) by inserting at the end of subsection (b) the following new paragraph:

“(3) For the purposes of this title, the term ‘elderly persons’ means persons who are 60 years of age or over.”; and

(3) by inserting immediately before the semicolon at the end of clause (1) of subsection (c) the following: “, or that he is an elderly person in a rural area without an adequate dwelling or related facilities for his own use”.

(b) Section 502 (a) of such Act is amended by adding at the end thereof the following new sentence: “In cases of applicants who are elderly persons, the Secretary may accept the personal liability of any person with adequate repayment ability who will cosign the applicant’s note to compensate for any deficiency in the applicant’s repayment ability.”

SEC. 2. (a) Title V of the Housing Act of 1949 is amended by adding at the end thereof the following new section:



1 “DIRECT AND INSURED LOANS TO PROVIDE HOUSING AND  
2 RELATED FACILITIES FOR ELDERLY PERSONS AND FAM-  
3 ILIES IN RURAL AREAS

4 “SEC. 515. (a) The Secretary is authorized to make  
5 loans to private nonprofit corporations, consumer coopera-  
6 tives, and public bodies or agencies to provide rental hous-  
7 ing and related facilities for elderly persons and families of  
8 low or moderate income in rural areas, in accordance with  
9 terms and conditions substantially identical with those speci-  
10 fied in section 502; except that—

11 “(1) no such loan shall exceed the development  
12 cost or the value of the security, whichever is less; and

13 “(2) such loans shall bear interest at the rate ap-  
14 plicable to loans made under section 202 of the Housing  
15 Act of 1959.

16 There is authorized to be appropriated not to exceed \$100,-  
17 000,000, which shall constitute a revolving fund to be used  
18 by the Secretary in carrying out this subsection.

19 “(b) The Secretary is authorized to insure and make  
20 commitments to insure loans made to any individual, cor-  
21 poration, association, trust, or partnership to provide rental  
22 housing and related facilities for elderly persons and families  
23 in rural areas, in accordance with terms and conditions sub-

1   stantially identical with those specified in section 502; ex-  
2   cept that—

3           “(1) no such loan shall exceed \$100,000 or the  
4   development cost or the value of the security, which-  
5   ever is least;

6           “(2) such loans shall bear interest at the rate appli-  
7   cable to loans made under section 203 (b) of the Na-  
8   tional Housing Act;

9           “(3) for insuring such loans, the Secretary shall  
10   utilize the Agricultural Credit Insurance Fund subject  
11   to all the provisions of section 309 and paragraphs (a)  
12   and (b) of section 308 of the Consolidated Farmers  
13   Home Administration Act of 1961, including the au-  
14   thority in section 309 (f) (1) of that Act to utilize the  
15   insurance fund to make, sell, and insure loans which  
16   could be insured under this subsection; but the aggregate  
17   of the principal amounts of such loans made by the  
18   Secretary and not disposed of shall not exceed \$10,000,-  
19   000 outstanding at any one time; and the Secretary  
20   may take liens running to the United States though the  
21   notes may be held by other lenders; and

22           “(4) no loans shall be insured under this subsec-  
23   tion after June 30, 1965.

24           “(c) No loan shall be made or insured under subsec-  
25   tion (a) or (b) unless the Secretary finds that the con-

1 construction involved will be undertaken in an economical man-  
2 ner and will not be of elaborate or extravagant design or  
3 materials.

4 “(d) As used in this section—

5 “(1) the term ‘housing’ includes dwellings, nurs-  
6 ing homes, and rest homes;

7 “(2) the term ‘related facilities’ includes cafeterias  
8 or dining halls, community rooms or buildings, appro-  
9 priate recreation facilities, infirmaries, or other inpatient  
10 or outpatient health facilities, and other essential service  
11 facilities;

12 “(3) the term ‘elderly persons’ means persons 60  
13 years of age or over; and the term ‘elderly families’  
14 means families the head of which (or his spouse) is 60  
15 years of age or over; and

16 “(4) the term ‘development cost’ means the costs  
17 of constructing, purchasing, improving, altering, or  
18 repairing new or existing housing and related facilities  
19 and purchasing and improving the necessary land, in-  
20 cluding necessary and appropriate fees and charges ap-  
21 proved by the Secretary.

22 “(e) Amounts made available pursuant to section 513  
23 of this Act shall be available for administrative expenses in-  
24 curred under this section.”

1 SEC. 3. (a) Section 511 of the Housing Act of 1949 is  
2 amended—

3 (1) by striking out “section 504 (b)” and insert-  
4 ing in lieu thereof “section 504 (b) or 515 (a)”; and

5 (2) by striking out “\$650,000,000” and inserting  
6 in lieu thereof “\$750,000,000, of which \$100,000,000  
7 shall be available exclusively for assistance to elderly  
8 persons as provided in clause (3) of section 501 (a)”.

9 (b) Section 506 (a) of such Act is amended by striking  
10 out “section 514” each place it appears and inserting in  
11 lieu thereof “sections 514 and 515”.

12 (c) Section 504 (a) of such Act is amended by striking  
13 out “(1) in the form of a loan, or combined loan and grant,  
14 in excess of \$1,000, or (2) in the form of a grant (whether  
15 or not combined with a loan) in excess of \$500” and insert-  
16 ing in lieu thereof “in the form of a loan, grant, or combined  
17 loan and grant in excess of \$1,000”.

18 (d) Paragraph (12) of section 5200 of the Revised  
19 Statutes (12 U.S.C. 84) is amended by inserting “or title V  
20 of the Housing Act of 1949,” immediately before “shall be  
21 subject under this section”.





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# **A BILL**

To amend title V of the Housing Act of 1949 to authorize direct and insured loans to provide housing for elderly persons and families in rural areas, and for other purposes.

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By Mr. SPARKMAN

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JULY 17, 1962

Read twice and referred to the Committee on  
Banking and Currency







87TH CONGRESS  
2D SESSION

# H. R. 12628

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IN THE HOUSE OF REPRESENTATIVES

JULY 19, 1962

Mr. RAINS introduced the following bill; which was referred to the Committee on Banking and Currency

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## A BILL

To provide additional funds under section 202 (a) (4) of the Housing Act of 1959, and to amend title V of the Housing Act of 1949, in order to provide low and moderate cost housing, both urban and rural, for the elderly.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the "Senior Citizens Housing  
4       Act of 1962".

5       SEC. 2. The Congress finds that there is a large and  
6       growing need for suitable housing for older people both  
7       in urban and rural areas. Our older citizens face special  
8       problems in meeting their housing needs because of the  
9       prevalence of modest and limited incomes among the elderly,

1 their difficulty in obtain liberal long-term home mortgage  
2 credit, and their need for housing planned and designed  
3 to include features necessary to the safety and convenience  
4 of the occupants in a suitable neighborhood environment.  
5 The Congress further finds that the present programs for  
6 housing the elderly under the Housing and Home Finance  
7 Agency have proven the value of Federal credit assistance  
8 in this field and at the same time demonstrated the urgent  
9 need for an expanded and more comprehensive effort to  
10 meet our responsibilities to our senior citizens.

11 SEC. 3. Section 202 (a) (4) of the Housing Act of 1959  
12 is amended by striking out "\$125,000,000" and inserting in  
13 lieu thereof "\$225,000,000".

14 SEC. 4. (a) (1) Section 501 of the Housing Act of 1949  
15 is amended—

16 (A) by striking out the period at the end of sub-  
17 section (a) and inserting in lieu thereof the following:  
18 “, and (3) to elderly persons who are or will be the  
19 owners of land in rural areas for the construction, im-  
20 provement, alteration, or repair of dwellings and related  
21 facilities, the purchase of previously occupied dwellings  
22 and related facilities and the purchase of land constitut-  
23 ing a minimum adequate site, in order to provide them  
24 with adequate dwellings and related facilities for their  
25 own use.”;

(B) by inserting at the end of subsection (b) the following new paragraph:

“(3) For the purposes of this title, the term ‘elderly persons’ means persons who are 62 years of age or over.”; and

(C) by inserting immediately before the semicolon at the end of clause (1) of subsection (c) the following: “, or that he is an elderly person in a rural area without an adequate dwelling or related facilities for his own use”.

(2) Section 502 (a) of such Act is amended by adding at the end thereof the following new sentence: “In cases of applicants who are elderly persons, the Secretary may accept the personal liability of any person with adequate repayment ability who will cosign the applicant’s note to compensate for any deficiency in the applicant’s repayment ability.”

(b) Title V of the Housing Act of 1949 is amended by adding at the end thereof the following new section:

“DIRECT AND INSURED LOANS TO PROVIDE HOUSING AND RELATED FACILITIES FOR ELDERLY PERSONS AND FAMILIES IN RURAL AREAS

“SEC. 515. (a) The Secretary is authorized to make loans to private nonprofit corporations and consumer cooperatives to provide rental housing and related facilities for elderly persons and families of low or moderate income in

1 rural areas, in accordance with terms and conditions sub-  
2 stantially identical with those specified in section 502; except  
3 that—

4 “(1) no such loan shall exceed the development  
5 cost or the value of the security, whichever is less;

6 “(2) such loans shall bear interest at rates deter-  
7 mined by the Secretary, not to exceed the maximum  
8 rate provided in section 202 (a) (3) of the Housing  
9 Act of 1959; and

10 “(3) such a loan may be made for a period of up  
11 to fifty years from the making of the loan.

12 There is authorized to be appropriated not to exceed  
13 \$50,000,000, which shall constitute a revolving fund to be  
14 used by the Secretary in carrying out this subsection.

15 “(b) The Secretary is authorized to insure and make  
16 commitments to insure loans made to any individual, cor-  
17 poration, association, trust, or partnership to provide rental  
18 housing and related facilities for elderly persons and families  
19 in rural areas, in accordance with terms and conditions sub-  
20 stantially identical with those specified in section 502; ex-  
21 cept that—

22 “(1) no such loan shall exceed \$100,000 or the  
23 development cost or the value of the security, which-  
24 ever is least;



1           “(2) such loans shall bear interest at rates deter-  
2       mined by the Secretary, not to exceed the maximum rate  
3       provided in section 203 (b) (5) of the National Housing  
4       Act;

5           “(3) provide for complete amortization by periodic  
6       payments within such term as the Secretary may pre-  
7       scribe;

8           “(4) for insuring such loans, the Secretary shall  
9       utilize the Agricultural Credit Insurance Fund subject to  
10      all the provisions of section 309 and the second and third  
11      sentences of section 308 of the Consolidated Farmers  
12      Home Administration Act of 1961, including the author-  
13      ity in section 309 (f) (1) of that Act to utilize the in-  
14      surance fund to make, sell, and insure loans which could  
15      be insured under this subsection; but the aggregate of  
16      the principal amounts of such loans made by the Secre-  
17      tary and not disposed of shall not exceed \$10,000,000  
18      outstanding at any one time; and the Secretary may  
19      take liens running to the United States though the notes  
20      may be held by other lenders; and

21           “(5) no loan shall be insured under this subsection  
22      after June 30, 1964.

23           “(c) No loan shall be made or insured under subsec-  
24      tion (a) or (b) unless the Secretary finds that the construc-  
25      tion involved will be undertaken in an economical manner

1 and will not be of elaborate or extravagant design or mate-  
2 rials.

3 “(d) As used in this section—

4 “(1) the term ‘housing’ means new or existing  
5 housing suitable for dwelling use by elderly persons  
6 or elderly families;

7 “(2) the term ‘related facilities’ includes cafeterias  
8 or dining halls, community rooms or buildings, appropri-  
9 ate recreation facilities, and other essential service  
10 facilities;

11 “(3) the term ‘elderly persons’ means persons who  
12 are 62 years of age or over; and the term ‘elderly fami-  
13 lies’ means families the head of which (or his sponse)  
14 is 62 years of age or over; and

15 “(4) the term ‘development cost’ means the costs  
16 of constructing, purchasing, improving, altering, or re-  
17 pairing new or existing housing and related facilities  
18 and purchasing and improving the necessary land, in-  
19 cluding necessary and appropriate fees and charges ap-  
20 proved by the Secretary.

21 “(e) Amounts made available pursuant to section 513  
22 of this Act shall be available for administrative expenses  
23 incurred under this section.”

24 (c) (1) Section 511 of the Housing Act of 1949 is  
25 amended—

(A) by striking out “section 504 (b)” and inserting in lieu thereof “section 504 (b) or 515 (a)”; and

(B) by striking out “\$650,000,000” and inserting in lieu thereof “\$700,000,000, of which \$50,000,000 shall be available exclusively for assistance to elderly persons as provided in clause (3) of section 501 (a)”.

(2) Section 506 (a) of such Act is amended by striking out “section 514” each place it appears and inserting in lieu thereof “sections 514 and 515”.

(3) Section 504 (a) of such Act is amended by striking out “(1) in the form of a loan, or combined loan and grant, in excess of \$1,000, or (2) in the form of a grant (whether or not combined with a loan) in excess of \$500” and inserting in lieu thereof “in the form of a loan, grant, or combined loan and grant in excess of \$1,000”.

(4) Paragraph (12) of section 5200 of the Revised Statutes (12 U.S.C. 84) is amended by inserting “or title V of the Housing Act of 1949,” immediately before “shall be subject under this section”.

---

# A BILL

---

To provide additional funds under section 202 (a) (4) of the Housing Act of 1959, and to amend title V of the Housing Act of 1949, in order to provide low and moderate cost housing, both urban and rural, for the elderly.

---

By Mr. RAINS

---

JULY 19, 1962

Referred to the Committee on Banking and Currency







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

(For information only;  
should not be quoted  
or cited)

Issued July 25, 1962

For actions of July 24, 1962

87th-2d, No. 126

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**HIGHLIGHTS:** House began debate on agricultural appropriation bill. House agreed to conference report on foreign aid authorization bill. House subcommittee reported bill for housing for elderly in rural areas. House received conference report on Treasury-Post Office appropriation bill. Rep. Cooley submitted measure to increase period in which hearings and reports will be available before consideration of appropriation bills.

## HOUSE

1. AGRICULTURAL APPROPRIATION BILL, 1963. Began debate on this bill, H. R. 12648. pp. 13589-621

### Agreed to the following amendments:

By Rep. Whitten, to remove funds for screwworm eradication in the Southwest (funds for this purpose were included in the Second Supplemental Appropriation Bill, 1962). pp. 13608-9

By Rep. Reuss, to provide that no portion of the funds appropriated for the Agricultural Conservation Program may be used to provide financial or technical assistance for drainage on wetlands. p. 13611

### Rejected the following amendments:

By Rep. Michel, by a vote of 58 to 108, to provide that no portion of the funds appropriated for the Agricultural Conservation Program may be used for payments on diverted acreage where other conservation-type payments are being received. pp. 13611-3

By Rep. Pelly, to provide that no portion of the funds appropriated for the Office of Information shall be used for bulletins or publications relating to sewing. pp. 13613-4

By Rep. Michel, by a vote of 94 to 133, to provide that of the amounts authorized to be borrowed for REA electrification loans, not to exceed \$150,000,000 may be used for generation and transmission loans. pp. 13614-20

2. FOREIGN AID. By a vote of 221 to 162, agreed to the conference report on S.2996, the foreign aid authorization bill. This bill will now be sent to the President pp. 13574-88, 13624

3. HOUSING. The Subcommittee on Housing of the Banking and Currency Committee vote to report to the full committee H. R. 12628, to authorize a program of housing for the elderly in rural areas. p. D627

4. TREASURY-POST OFFICE APPROPRIATION BILL, 1963. Received the conference report on this bill, H. R. 10526 (H. Rept. 2028) (p. 13621). This bill includes appropriations for the Budget Bureau, Council of Economic Advisers, Emergency Fund for the President, funds for the President for management improvement in the executive agencies, and the Advisory Commission on Intergovernmental Relations.

5. FOREIGN TRADE. Rep. Kearns inserted the testimony of the vice-president of the National Federation of Independent Business before the Senate Commerce Committee "on the steps being taken by the Department of Commerce to expand exports and to improve services to American exporters at home and abroad." pp. 13630-2

6. AREA REDEVELOPMENT. Rep. Moore inserted an editorial commending a grant by the Area Redevelopment Administration for a tourist center at Sugar Grove, W. Va. pp. 13633-4

#### SENATE

7. SCHOOL LUNCH PROGRAM. The D. C. Committee voted to report (but did not actually report) S. 3314, to amend the D. C. Public School Food Services Act. p. D625

#### ITEMS IN APPENDIX

8. NATURAL RESOURCES. Extension of remarks of Rep. Reifel discussing a recent soil and water seminar in South Dakota and inserting an address, "The Seminar as Viewed From Washington." pp. A5665-6

9. PERSONNEL. Extension of remarks of Rep. Lane inserting his statement in support of H. R. 3987, to increase the annuities of retired Federal employees. p.A5669

10. TEXTILES. Extension of remarks of Rep. Hemphill inserting an editorial, "Will Washington Dump the Textile Industry?" p. A5674

11. FISCAL POLICY. Extension of remarks of Rep. Rousselot inserting two editorials, "Spend Our Way to Prosperity? Deepest Depression Feared if Unsound Counsel Prevails," and, "The Economic Debate." pp. A5676-7

12. LUMBER INDUSTRY. Extension of remarks of Rep. Sikes inserting an article criticizing USDA timber sales, "Selling Public Timber." pp. A5684-5

13. FARM PROGRAM. Extension of remarks of Rep. Broomfield inserting an editorial criticizing the Secretary, "A Farm Plan Too Good for Freeman's Liking." p.A5688







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

(For information only;  
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Issued July 27, 1962  
For actions of July 26, 1962  
87th-2d, No. 128

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HIGHLIGHTS: House passed appropriation continuation measure. House subcommittee voted to report bill to aid States in forestry research. House committee voted to report bill for housing for elderly in rural areas.

## HOUSE

1. APPROPRIATIONS. Passed without amendment H. J. Res. 839 the appropriations continuation resolution to make temporary appropriations until August 31, 1962, for those departments and agencies, including this Department, whose annual appropriation bills have not yet been enacted. p. 13842

Conferees were appointed on H. R. 10802, the Department of Interior and related agencies (including Forest Service) appropriation bill, 1963. Senate conferees have already been appointed. p. 13842

Agreed to the conference report on H. R. 11289, the appropriation bill, 1963. pp. 13852-62

The Appropriations Committee was granted until midnight Fri. to report the independent offices appropriation bill for 1963. p. 13842

2. RECLAMATION. Passed with amendment S. 405, to authorize the Secretary of the Interior to construct, operate, and maintain the Mann Creek Federal reclamation project, Idaho (pp. 13849-50). Earlier, by a vote of 199 to 162, passed a similar House bill, H. R. 529, which was later tabled. pp. 13842-3, 13844-50
3. FORESTRY. The Subcommittee on Forests of the Agriculture Committee voted to report to the full committee with amendments H. R. 12688, to encourage and assist the several States in carrying on a program of forestry research. p.D641
4. PERSONNEL. The Subcommittee of the Post Office and Civil Service Committee voted to report to the full committee H. R. 10539, to amend the Federal Employees Health Benefits Act to provide additional choice of health plans. p. D642
5. HOUSING. The Banking and Currency Committee voted to report (but did not actually report) with amendments H. R. 12628, to authorize a program of housing for the elderly in rural areas. p. D641
6. LOANS. The Banking and Currency Committee voted to report (but did not actually report) S. 3327, to make certain federally impacted areas eligible for assistance under the public facility loan program. p. D641
7. COMMUNICATIONS. The Subcommittee on Government Activities of the Government Operations Committee voted to report to the full committee with amendments H. R. 11899, to amend the Federal Property and Administrative Services Act of 1949, as amended, to provide for a Federal telecommunications fund. p. D642
8. LANDS. The Subcommittee on Government Activities of the Government Operations Committee voted to report to the full committee with amendments H. R. 10134, to authorize the Administrator of General Services to convey certain land at the Agricultural Research Center in Prince Georges County, Md., to the American National Red Cross. p. D642
9. TRANSPORTATION. The Interstate and Foreign Commerce Committee voted to report (but did not actually report) H. R. 1341, to require passenger carrying motor vehicles purchased for use by the Federal Government to meet certain safety standards. p. D642
10. LEGISLATIVE PROGRAM. Rep. Albert announced that the following bills will be considered on Mon. and Tues.: independent offices appropriation bill for 1963; H. R. 575, Baker Federal reclamation project; and S. 2008, Spokane Valley reclamation project. p. 13862
11. ADJOURNED until Mon., July 30. p. 13876

#### SENATE

No items of interest to this Department.

#### ITEMS IN APPENDIX

12. FARM PROGRAM. Extension of remarks of Rep. Poage criticizing the report of the Committee for Economic Development relating to agriculture and inserting a letter of the vice president of the Nebr. Feed Grain Growers Assoc. critical of the report. pp. A5782-3
13. DISASTER RELIEF. Extension of remarks of Rep. Wharton urging additional aid for drought stricken areas in upstate N. Y. and inserting an editorial, "Cows Can't Eat Redtape." p. A5774







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

(For information only;  
should not be quoted  
or cited)

Issued July 31, 1962  
For actions of July 28 & 30, 1962  
87th-2d, Nos.  
130 & 131

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HIGHLIGHTS: House agreed to conference report on Interior appropriation bill. House began debate on independent offices appropriation bill. Rep. Fountain defended his subcommittee's action in Estes case. House committee reported bills for expansion of survey of forest resources, to aid States in forestry research, increase authorization under Cooperative Forest Management Act, provide additional research facilities for experiment stations, revise distribution formula for extension funds, and add certain lands to national forests. House committee reported bill for housing for elderly in rural areas.

## HOUSE - July 30

1. INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, 1963. Agreed to the Conference report on this bill, H. R. 10802, and acted on the amendment in disagreement (relating to Indian claims) (pp. 13975-7). See Digest 129 for a summary of Forest Service items.
2. INDEPENDENT OFFICES APPROPRIATION BILL, 1963. Began and concluded general debate on this bill, H. R. 12711 (pp. 13980-14019). This bill was reported by the Appropriations Committee on July 27, during adjournment of the House (H. Rept. 2050) (p. 14030). Agreed to an amendment by Rep. Miller, Calif., to provide that none of the funds shall be used to pay any recipient of a grant for the conduct of a research project an amount for indirect expenses in connection with the project in excess of 25 percent of the direct costs (the bill as reported provided a limitation of 20 percent) (p. 14014-18). The bill includes funds for the Office of Emergency Planning (including civil defense and defense

mobilization functions of Federal agencies), Office of Science and Technology, Civil Service Commission, Federal Trade Commission, General Accounting Office, General Services Administration, Housing and Home Finance Agency, Interstate Commerce Commission, National Science Foundation, and Veterans Administration.

3. FORESTRY. The Agriculture Committee reported the following bills:

S. 3064, with amendment, to increase the authorization for the national survey of forest resources (H. Rept. 2063);

S. 3112, with amendment, to add certain lands to the Pike National Forest in Colo. and the Carson and Santa Fe National Forests in N. M. (H. Rept. 2064);

H. R. 12688, with amendment, to authorize the Secretary of Agriculture to encourage and assist the States in carrying on a program of forestry research (H. Rept. 2065);

H. R. 7195, with amendment, to add certain lands to the Wasatch National Forest, Utah (H. Rept. 2066);

H. R. 9728, without amendment, to amend the Cooperative Forest Management Act to increase the appropriation authorization from \$2.5 million to \$5 million (H. Rept. 2067). p. 10430

4. EXTENSION WORK. The Agriculture Committee reported without amendment H. R. 12589, to amend the Smith-Lever Act so as to revise the formula for apportioning funds among the States (H. Rept. 2068). p. 14030

5. MINING. The Interior and Insular Affairs Committee reported with amendment H. R. 9280, to amend Sec. 2 of the Materials Act (H. Rept. 2055); H. R. 10540, to exclude deposits of petrified wood from appropriation under the U. S. mining laws (H. Rept. 2056); and H. R. 11049, to provide for the relief of certain oil and gas lessees under the Mineral Leasing Act (H. Rept. 2057). p. 14030

6. HOUSING. The Banking and Currency Committee reported on July 28 (during adjournment of the House) with amendment H. R. 12628, to authorize a program of housing for the elderly in rural areas (H. Rept. 2052). p. 14030

7. LOANS. Concurred in the Senate amendments to H. R. 7336, to promote the production of oysters by propagation of disease-resistant strains. This bill will now be sent to the President. p. 13975

The Banking and Currency Committee reported on July 28 (during adjournment of the House) with amendment S. 3327, to make certain federally impacted areas eligible for assistance under the public facility loan program (H. Rept. 2051). p. 13975

8. FOREIGN AFFAIRS. The Foreign Affairs Committee issued a report pertaining to a center for culture and technical interchange between East and West (H. Rept. 2060). p. 14030

9. PERSONNEL. Received from the Civil Service Commission a proposed bill "to amend the Retired Federal Employees Health Benefits Act with respect to Government contribution for expenses incurred in the administration of such act"; to Post Office and Civil Service Committee. p. 14030

10. PUBLIC LANDS. The Subcommittee on Public Lands of the Interior and Insular Affairs Committee voted to report to the full committee with amendment H. R. 11266, to amend the act of March 8, 1922, to extend its provisions to the townsite laws applicable in Alaska. p. D654

11. EDUCATION. Rep. Green, Ore., urged the conferees to agree to file a conference report on H. R. 8900, the proposed College Academic Facilities and Scholarship Act. pp. 14021-2



SENIOR CITIZENS HOUSING ACT  
OF 1962

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REPORT  
OF THE  
COMMITTEE ON BANKING AND CURRENCY  
HOUSE OF REPRESENTATIVES  
EIGHTY-SEVENTH CONGRESS  
SECOND SESSION  
ON  
H.R. 12628



JULY 28, 1962.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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U.S. GOVERNMENT PRINTING OFFICE

85006

WASHINGTON : 1962





## SENIOR CITIZENS HOUSING ACT OF 1962

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JULY 28, 1962.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. RAINS, from the Committee on Banking and Currency, submitted the following

### R E P O R T

[To accompany H.R. 12628]

The Committee on Banking and Currency, to whom was referred the bill (H.R. 12628) to provide additional funds under section 202(a)(4) of the Housing Act of 1959, and to amend title V of the Housing Act of 1949, in order to provide low and moderate cost housing, both urban and rural, for the elderly, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert the matter which appears in italic type in the bill therewith reported to the House.

#### INTRODUCTION

*What the bill would do*

I. *Housing for the elderly in urban areas.*—The bill would authorize the appropriation of an additional \$100 million for the highly successful existing program of direct loans to provide housing for the elderly. Under this program the Housing and Home Finance Administrator can lend on favorable enough terms—3½ percent interest and a 50-year loan maturity—so that rental housing can be provided for the elderly at rents of \$15 to \$20 a month below projects financed either conventionally or with FHA insurance.

II. *Housing for the elderly in rural areas.*—Basically the bill would establish a number of new housing aids under the Farmers Home Administration for the elderly who live in rural areas so that senior citizens who live in such areas can have housing assistance comparable to that provided for the elderly in urban areas under existing programs of the Housing and Home Finance Agency.

(a) The Farmers Home Administration is presently authorized to make housing loans on favorable terms for new construction on farms and in rural nonfarm areas. The bill would give the elderly, i.e., those 62 or over, three special advantages under the existing loan program. First, they would be permitted to buy existing housing as well as build or improve their homes. Second, cosigners would be permitted in the case of elderly applicants who are deficient in repayment ability. Third, they could finance the cost of both the land and the dwelling with the loan proceeds (others must own their lot before they can apply for a loan). An additional \$50 million in loan funds would be provided, earmarked exclusively for the elderly.

(b) The bill would set up a new program of direct loans by the Farmers Home Administration to private nonprofit corporations and consumer cooperatives to build moderate-cost rental housing for the elderly. The terms of the financing would be similar to the direct loan program administered by HHFA for the elderly in urban areas (3½ percent interest and a maturity up to 50 years). The bill would authorize an appropriation of \$50 million for this new program.

(c) The bill would also establish a new Farmers Home Administration insurance program to provide rental housing for the elderly in rural areas. This would be similar to the Federal Housing Administration insurance program to provide housing for the elderly whose incomes enable them to afford rentals under the terms of insured financing (presently a 40-year term with an interest rate of 5¼ percent).

(d) The bill would increase the rural grant ceiling from \$500 to \$1,000. The \$500 ceiling was established in 1949 when much lower cost levels prevailed. These grants go to owner-occupants whose incomes are so low that they cannot qualify for loans from any source for improvements to their housing necessary to the health and safety of the community. Your committee believes the increased grants would be particularly beneficial to applicants who are getting along in years.

### *Background of the bill*

Your committee has always taken special pride in the role it has played in developing legislation to meet the housing need of our senior citizens. The Congress and the country have shown a growing realization of the needs of older people and our moral obligation to help them. In the field of housing, senior citizens are confronted with a special group of obstacles. Their age makes it particularly difficult to obtain liberal mortgage financing. Because the great majority of them have fixed and limited incomes they are often unable to afford the kind of housing they need.

All of these problems are magnified in rural areas where mortgage credit is especially difficult to obtain and where housing needs are just as great as in urban areas. The present programs of aid for housing in rural areas, established under title V of the Housing Act of 1949, have made an important contribution to raising housing standards in rural areas, but your committee is convinced that additional programs are needed, particularly for senior citizens in rural areas.

One of the most successful programs to help meet the housing needs of the elderly is the present section 202 program of low-interest direct loans for rental housing in urban areas. These loans reduce rents by as much as \$20 a month compared to usual financing charges. All of the funds authorized have already been appropriated or are included



in current budget requests and incorporated in the independent offices appropriation bill of 1963, and still the Administration finds that the demand for this assistance requires additional authorization.

Because of this need for additional funds for the direct loan program in urban areas, and because of your committee's concern for the need to provide special housing aids for our senior citizens who reside in rural areas, the Subcommittee on Housing of the Committee on Banking and Currency held 3 days of hearings on July 11, 12, and 13, with special attention given to H.R. 12348 and H.R. 11877, both introduced by the Honorable Albert Rains, of Alabama, chairman of the subcommittee. H.R. 12348 proposed to increase the direct loan funds available to the section 202 program in urban areas by \$125 million, and H.R. 11877 provided for new programs for housing for the elderly to be administered by the Farmers Home Administration. Your committee took testimony from Administration representatives, representatives of farm organizations and cooperative organizations, labor unions, representatives of groups representing senior citizens, and other organizations interested in providing better housing for the elderly. All of the witnesses strongly endorsed the objectives of both bills.

Upon completion of the hearings the chairman of the Subcommittee on Housing introduced a clean bill, H.R. 12628, on July 19, which, with some amendments, merged the basic provisions of the two bills H.R. 12348 and H.R. 11877 which had been the subject of the hearings. The Subcommittee on Housing met in executive session on Tuesday, July 24, and reported the bill (H.R. 12628) by a vote of 10 to 0 to the full committee. The Committee on Banking and Currency met in executive session on July 26 and reported the bill (H.R. 12628) by the overwhelming margin of 18 yeas, 1 vote of present, and no votes in the negative.

#### THE NEED FOR THE BILL

Twenty-one million people are now 62 and over, and by 1980 we expect at least 30 million in this age group. The over-65 population increases at a net rate of 400,000 each year.

Perhaps even more significant than the overall numbers involved is the fact that already 1 out of 3 persons reaching the age of 60 has a parent or close relative over 80 to be concerned about. In just 40 years this ratio will rise to 2 out of 3. Then our society will have the unique challenge of meeting the housing needs of not one but two generations of senior citizens.

As an indication of how fast our senior citizen population is growing, it may be noted that while the general population increased only 19 percent from 1950 to 1960, the group over 65 rose 35 percent and the age group 85 and over increased more than 60 percent.

While not a homogeneous economic group, the aged tend to be in the low or moderate income categories with median money incomes about 50 percent of those under 65. Thus, more than one-half of the aged families have annual incomes of less than \$3,000 per year and about one-third have less than \$2,000 per year. About one-half of the single aged persons have annual incomes of less than \$1,050 per year. Housing for senior citizens must take into account their income levels and the relative inflexibility of their income potentials.

For the widowed and the single elderly, housing can play a fundamental part in providing badly needed sources of personal and social relationships. For the aged in general, housing can and does fill an expanded role as the focal point of their daily lives.

About two-thirds of the aged now live in their own homes. A large portion of them have lived in these homes for 30 years or more, after having purchased them to house their young and growing families. They face problems of rising maintenance expenses, higher property taxes, and major repairs at a time when their physical capacities are substantially reduced and their family incomes halved. At this stage much of the existing housing occupied by senior citizens is too large, too old, too costly, or too inefficient and unsafe for the changes which occur with age.

Preliminary data from a special Census Bureau tabulation indicate that over 19 percent of the households in which senior citizens live are substandard in that they lacked private bath, toilet, or hot running water, or were structurally deficient. These substandard units do not include those which—while basically standard—may not be suitable for older persons because they are too large or too costly to maintain.

The data do not include the 17–20 percent of the aged who do not live in their own households but live, as dependents, with their children or others in generally standard housing. Current research provides evidence that senior citizens generally prefer to live independently if they can. In most cases desperately low incomes or poor health, or both, compel a parent to move in with their children.

A recent study by Cornell University analyzed the quality of housing of a national sample of persons receiving social security benefits in 1960. The results of this research study indicated the following:

(1) Forty percent of older persons were living in houses built over 50 years ago and an additional 40 percent were living in houses built between 30 and 50 years ago.

(2) The aged in poorer health tended to occupy the poorest housing.

(3) Approximately 45 percent of all aged households were classified as being in “need of better accommodations” based on the quality of the housing and the living arrangements of individuals who were dependent on their relatives.

#### *Special problems for rural elderly*

Your committee was also strongly impressed by the testimony showing the need for additional housing aids for our senior citizens who live in rural areas.

In 1960, there were 7 million persons who had reached or passed the age of 60 living in rural areas. Almost 2 million live on the farms and about 5 million in the small rural communities of America. This age group represents 13 percent of all persons living in rural areas.

President Kennedy, in his housing message last year, stated: “This country cannot neglect the growing housing needs for the elderly.” There has been in recent years a marked increase in publicly sponsored and supported housing programs for the elderly, but these programs to date are mainly oriented to serving the needs of elderly families in urban areas and have not reached the millions of older people living on farms and in small rural towns and villages.

If elderly citizens who live in rural areas were to move to urban centers or some other locality where housing adapted to their physical needs is available, they could compete with others for these facilities.



But to expect elderly people who have spent their lives on farms or in small villages to move away from their relatives, neighbors, churches, and other phases of the environment that has been an integral part of their lives would be a poor solution to their housing problems.

Furthermore, encouraging their movement to larger cities would further aggravate the overcrowded conditions that already exist there.

Your committee recognizes the importance of giving elderly individuals and couples an opportunity to maintain their independence as long as they are physically able to do so. It also recognizes the importance of helping find a solution to their problems that will enable them to live out their lives in dignity in the surroundings that are essential to their well-being and where they will be close to their relatives and lifelong friends.

Many of these elderly persons remain on farms not by choice, but because they have no other place to go. In many counties in the United States today more than one of five farm operators is over 65 years of age. Generally, these are areas of low income and the families have been unable to accumulate sufficient assets during their lifetime to have a decent home during their later years.

There are several groups of these senior citizens in rural areas whose housing needs are currently not being met by any existing credit sources.

One major group includes those who desire to own their home and who can maintain a home of their own but who are not only unable to obtain credit from conventional sources but are also unable to qualify for a loan from the Farmers Home Administration.

In some instances they may need credit to buy a homesite or they may lack the financial ability to personally meet in full the monthly payments that would be due on their housing loan. Under existing law, loans may be made only to persons who already own land and who have the ability to meet their loan payments.

In other instances they may want to buy a previously occupied home but private financing is not available and Farmers Home Administration loans cannot be used for the purchase of existing homes under present law.

Another large group of elderly persons in rural areas who need housing assistance are those who no longer have the incentive or the capacity for maintaining ownership of their own home. Some of these elder citizens need rental housing that is adapted to their needs from the standpoint of cost, space, and facilities.

#### MAJOR PROVISIONS OF THE BILL

##### *I. Housing for senior citizens in urban areas*

The bill as reported by your committee would authorize the appropriation of an additional \$100 million for direct loans by the Housing and Home Finance Administrator for rental and cooperative housing for the elderly. A committee amendment to the bill would restrict loans made after its enactment to loans for new construction.

Under the direct loan program, long-term, low interest rate loans can be made by the Housing and Home Finance Administrator for rental housing and related facilities for the elderly. The current interest rate is 3½ percent and the loans can have maturities of as

long as 50 years. Eligible borrowers include private nonprofit corporations and (under an amendment made by the Housing Act of 1961) consumer cooperatives and certain public bodies or agencies. Eligible properties include rental housing structures and such related facilities as dining halls, community rooms, infirmaries, and other essential service facilities.

Under the present law, loans may be made for new construction or to rehabilitate, convert, or improve existing structures to make them suitable for housing for the elderly. Your committee added an amendment to the bill which would remove the authority to rehabilitate or convert existing structures with loan funds. It is believed that the loan program should be used, to the extent of available funds, for new construction that will provide an additional supply of new housing specially and suitably planned for senior citizens. By administrative action the Housing and Home Finance Agency has been following the policy of confining its loans to new construction. However, your committee wishes the law to be changed to also make this the policy of the Congress, and to assure that this policy will be continued. This will make the best use of all funds made available for loans. It will avoid any possibility that loans will be used for the conversion of existing housing into "make-do" housing which does not serve adequately the needs of elderly persons.

Section 202 of the Housing Act of 1959 presently authorizes appropriations of \$125 million to a revolving fund to be used for making these housing loans. To date Congress has appropriated a total of \$80 million for the program. The President's budget for fiscal 1963 proposed the appropriation of the \$45 million balance authorized by existing law (which is included in the pending independent offices appropriation bill) plus an additional \$55 million to come out of the new authorization. The \$100 million of new authority in the committee bill would increase the authorization sufficiently to cover these amounts and \$45 million in addition.

As of June 30, 1962, cumulative net reservations of funds lent or earmarked for loans aggregate about \$66 million. It is estimated that this amount will reach about \$180 million by June 30, 1963. The additional authorization provided by your committee would, therefore, be sufficient to carry the program through this fiscal year and give the Congress time next year to appraise the need for additional authorization.

As of May 31, 1962, there were 135 projects under the program which had gone at least as far as the application stage, with some already either completed or underway. These projects represent over 14,000 units costing an estimated amount of \$159.3 million. Funds have been loaned or earmarked for loans for 66 projects totaling close to 5,500 units and \$62.2 million. Nine projects with a total of 553 units and costing \$5.4 million are under construction. Four projects with 168 units and a cost of \$1.5 million are completed and occupied. Sixty-nine projects with units totaling 8,770 and a dollar volume of \$97.1 million were under active review on May 31.

Your committee believes that this program serves a need that cannot be met in any other way. It provides suitable housing for older persons whose incomes are too high for public housing but not sufficient to meet the cost of good housing provided with private financing at conventional interest rates. Rental charges per housekeeping unit



per month for the projects that had received fund reservations as of December 31, 1961, ranged from \$48 to \$110, or a median of \$75. In projects with dining facilities the median monthly rental per person, including meals, is \$128, ranging from a low of \$87 to a high of \$150. The median income in 1960 of the elderly families in this country was not quite \$3,000 per year or around \$240 per month. The rentals provided are within the reach of those in this group. A recent Cornell University study indicates that 800,000 units are required to fill the needs of this income group. According to this study, approximately 45 percent of all households of the elderly have been classified as being in "need of better accommodations."

It is essential, therefore, that this direct loan program should be continued if sufficient adequate housing is to be provided within the incomes of these persons and families.

The housing provided under the direct loan program is required to be especially planned and built for use by elderly families and persons. The structures must be designed with the safety, comfort, and convenience of older people in mind. The housing must be accessible to health facilities, other community groups, transportation, shopping facilities, churches, recreation facilities, and other social contacts, all of which are essential to the health and happiness of the tenants. It must also be consonant with overall plans for growth of the community.

## *II. Housing for the elderly in rural areas*

The rural housing loan program has proved to be a highly effective means of helping families of low and moderate incomes with limited resources to achieve their goal of having adequate homes. The improvements made in the act last year broadened the program to include eligible families in small rural communities and in the open country, even though the land they own is not a farm and even though they depend on nonfarm income for their livelihood. However, title V of the Housing Act of 1949 does not meet the special housing needs of those older persons in rural areas (a) who may not be earning sufficient income to meet all of their obligations and to make payments on a home, or (b) whose housing needs can better be met by rental housing.

In recognition of their special needs, the bill would permit loans for the purchase of a previously occupied home or a lot on which to build a home, and also permit a relative or other cosigner on the note in order to assure repayment of the loan in case the elderly applicant and spouse do not have sufficient income to meet the payments as they become due.

The basic purpose of the existing law has been to increase the quantity and quality of homes in rural areas. Loans have been available only to the owners of farms or building sites. The limited funds have thus been utilized in new or improved housing rather than land purchase. Retired farmers and other persons in rural areas, however, frequently find it far more economical to buy a previously occupied home that is or can be put in good repair rather than to construct a new home. The committee bill would authorize an increase of \$50 million in the existing loan fund to be earmarked for loans for the elderly.

Another large group of elderly persons in rural areas who need housing assistance are those who no longer have the incentive or the capacity of maintaining ownership of their own homes. Some of

these elderly citizens need rental housing that is adapted to their needs from the standpoint of cost, space, and facilities.

The bill adds a new section to title V of the 1949 act to encourage private nonprofit corporations and consumer cooperatives to provide rental housing and related facilities for elderly persons and families in rural areas, through low-interest direct loans from the Farmers Home Administration. The interest rate would be the same as under the present program of direct loans in urban areas (currently 3½ percent which is set by a formula which reflects the cost of money to the Treasury and administrative expenses). This rental housing, which would be for persons of low or moderate incomes, will fill a large gap in current housing availability. Loans could be made for dwellings, including apartment and village-type units, and related facilities such as cafeterias, dining halls, community rooms or buildings, appropriate recreational facilities, and other essential needs. In order to reach the goal of providing adequate housing at minimum cost, the construction financed with these loans will not be elaborate or extravagant in design or materials. To make these loans the bill would authorize the appropriation of \$50 million to establish a revolving fund.

The bill also authorizes credit assistance for individuals, corporations, trusts, or partnerships to provide rental housing and related facilities to elderly persons in rural areas through the insurance of loans made by private lenders. Loans of this type would be insured by the Farmers Home Administration utilizing the Agricultural Credit Insurance Fund established under sections 308 and 309 of the Consolidated Farmers Home Administration Act of 1961. They would be limited to \$100,000 or the development cost or value of the security, whichever is least. The same procedures and authority used in the existing Bankhead-Jones program of mortgage insurance would be used in this new program. These loans should provide a further stimulant to helping meet the housing needs of elderly persons in rural areas.

The bill also would increase the grant limit under section 504(a) of the Housing Act of 1949 from \$500 to \$1,000. These grants are made to low-income owner-occupants of rural homes to make repairs which are necessary to the health and safety of the occupants or of the community. Such repairs include items such as window screens, roof maintenance, and the repair and installation of sanitary toilet facilities and other measures needed to insure a sanitary water supply. The increase to a \$1,000 maximum grant will be of special benefit to the senior citizens whose health and safety requirements are especially exacting but who no longer have the capacity to repay a loan. When grants were first authorized in 1949, \$500 was considered to be sufficient to cover the cost of such repairs that could properly be financed with grants. Today in many cases, especially where owners are elderly and physically no longer able to do the repair work, the need for this type of financial assistance exceeds the current \$500 limit. There would be no increase in the total amount to be appropriated for these grants each year under existing legislation but the \$1,000 limit would more effectively meet the urgent housing repair needs of families that do not have sufficient income to repay a loan.



## SECTION-BY-SECTION SUMMARY OF THE BILL, AS REPORTED

*Short title*

The first section of the bill provides that it may be cited by its short title—the “Senior Citizens Housing Act of 1962.”

*Section 2. Statement of findings*

This section, citing the special problems faced by our older citizens in meeting their growing needs for suitable housing both in urban and rural areas, sets forth the congressional finding that the present HHFA programs of housing for the elderly have proven the value of Federal credit assistance in this field and at the same time demonstrated the urgent need for an expanded and more comprehensive effort.

*Section 3. Housing for the elderly in urban areas*

This section amends section 202 of the Housing Act of 1959—the existing program of low-interest direct loans to provide rental housing for the elderly.

Subsection (a) amends section 202 of the 1959 act to increase the total amount authorized to be appropriated for loans thereunder by \$100 million (from \$125 million to \$225 million).

Subsection (b) amends section 202 to provide that loans thereunder may be made only for the construction of new housing (and related facilities), and not for rehabilitation of existing structures.

*Section 4. Housing for the elderly in rural areas*

This section contains amendments to title V of the Housing Act of 1949 which are designed to assist in various ways in providing suitable housing for the elderly in rural areas.

Subsection (a) broadens the existing rural housing loan program in section 502 of the 1949 act to authorize the Secretary of Agriculture (through the Farmers Home Administration) to make loans to elderly persons (those who are 62 or over) for the purchase of existing homes or the construction, improvement, alteration, or repair of dwellings and related facilities in rural areas for their own use, including the purchase of the land necessary as a minimum adequate site for such dwellings. (Loans cannot be used to purchase existing homes or building sites under the present program.) Cosigners would be permitted in the case of elderly applicants who are deficient in repayment ability. The amount presently authorized to finance section 502 loans would be increased by \$50 million, all of which would be earmarked for loans to elderly persons under the expanded program.

Subsection (b) adds a new section 515 to title V of the 1949 act. Subsection (a) of the new section 515 establishes a program of direct loans by the Secretary of Agriculture to private nonprofit corporations and consumer cooperatives for the provision of rental housing and related facilities for elderly persons and elderly families of low or moderate income in rural areas. (Elderly persons are those 62 or over; elderly families are those the head of which (or his spouse) is 62 or over.) Terms would conform substantially to those applicable to the regular section 502 loans, except that (1) the new loans could include the cost of the land as well as structures thereon, (2) the interest rate would be comparable to the rate applicable under the program of rental housing for the elderly under section 202 of the Housing Act



of 1959 (presently 3½ percent), and (3) the new loans could have 50-year maturities. These loans would be made from a newly established revolving fund, to which appropriations of \$50 million are authorized by the bill.

Under the new direct loan program (and the new insured loan program discussed below), construction would have to be done in an economical manner and could not entail elaborate or extravagant design or materials, and the loans involved could cover existing housing (as well as new housing) if it is rehabilitated or modified so as to be suitable for use by the elderly. Related facilities which could be covered include cafeterias and dining halls, community rooms and buildings, recreation facilities, and other essential service facilities.

Subsection (b) of section 515 establishes a new program under which the Secretary (until June 30, 1964) would insure loans made to individuals, corporations, and other entities to provide rental housing and related facilities for elderly persons and families in rural areas. Terms would conform substantially to those applicable to the regular section 502 loans, except that (1) any loan insured under the new program would be limited to \$100,000 (or the development cost or value of security, if less); (2) the interest rate would be determined by the Secretary subject to the same maximum rate (6 percent) applicable under the FHA section 203 residential mortgage insurance program; (3) maturities would be within the discretion of the Secretary, and (4) the same insurance fund, authority, and procedures would be used for these new insured loans (including the authority to accumulate an interim loan portfolio not to exceed \$10 million) as are already in use for other insured loans under the Consolidated Farmers Home Administration Act of 1961.

Subsection (c) of this section of the bill (in addition to making several technical and conforming amendments) increases from \$500 to \$1,000 the maximum amount of a grant for minor improvements to rural housing under section 504(a) of the 1949 act, which authorizes grants to owner-occupants whose incomes are so low that they cannot qualify for loans from any source (including the sec. 502 program) for improvements which are necessary to their health and safety or that of the community.

#### CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

### SECTION 202 OF THE HOUSING ACT OF 1959

#### LOAN PROGRAM

SEC. 202. (a)(1) The purpose of this section is to assist private nonprofit corporations, consumer cooperatives, or public bodies or agencies to provide housing and related facilities for elderly families and elderly persons.

(2) In order to carry out the purpose of this section, the Administrator may make loans to any corporation (as defined in subsection

(d)(2), to any consumer cooperative, or to any public body or agency for the provision of rental or cooperative housing and related facilities for elderly families and elderly persons, except that (A) no such loan shall be made unless the applicant shows that it is unable to secure the necessary funds from other sources upon terms and conditions equally as favorable as the terms and conditions applicable to loans under this section, (B) no such loan shall be made unless the Administrator finds that the construction will be undertaken in an economical manner and that it will not be of elaborate or extravagant design or materials, and (C) no such loan shall be made to a public body or agency unless it certifies that it is not receiving financial assistance from the United States exclusively pursuant to the United States Housing Act of 1937.

(3) A loan under this section may be in an amount not exceeding the total development cost (as defined in subsection (d)(3)), as determined by the Administrator; shall be secured in such manner and be repaid within such period, not exceeding fifty years, as may be determined by him; and shall bear interest in a rate determined by him which shall be not more than the higher of (A)  $2\frac{3}{4}$  per centum per annum, of (B) the total of one-quarter of 1 per centum added to the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the fiscal year next preceding the date on which the loan is made and adjusted to the nearest one-eighth of 1 per centum.

(4) There is authorized to be appropriated not to exceed **[\$125,000,-000]** **\$225,000,000** which shall constitute a revolving fund to be used by the Administrator in carrying out this section.

(b) In the performance of, and with respect to, the functions, powers, and duties vested in him by this section the Administrator shall (in addition to any authority otherwise vested in him) have the functions, powers, and duties set forth in section 402 (except subsection (c)(2)) of the Housing Act of 1950.

(c)(1) Housing constructed with a loan made under this section shall not be used for transient or hotel purposes while such loan is outstanding.

(2) As used in paragraph (1), the term "transient or hotel purposes" shall have such meaning as may be prescribed by the Administrator, but rental for any period less than thirty days shall in any event constitute use for such purposes. The provisions of subsections (f) through (j) of section 513 of the National Housing Act (as added by section 132 of the Housing Act of 1954) shall apply in the case of violations of paragraph (1) as though the housing described in such subsection were multifamily housing (as defined in section 513(e)(2) of the National Housing Act) with respect to which a mortgage is insured under such Act, except that for purposes of this subsection the Administrator shall perform the functions vested in the Commissioner by such section 513.

(3) The Administrator shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors and subcontractors in the construction of housing assisted under this section shall be paid wages at rates not less than those prevailing in the locality involved for the corresponding classes of laborers and mechanics employed on construction of a similar character, as determined by the Secretary of Labor in accordance with the Act of March 3, 1931, as amended (the Davis-Bacon Act); but the Administrator may waive the application of this paragraph in cases or classes



of cases where laborers or mechanics, not otherwise employed at any time in the construction of such housing, voluntarily donate their services without full compensation for the purpose of lowering the costs of construction and the Administrator determines that any amounts saved thereby are fully credited to the corporation, cooperative, or public body or agency undertaking the construction.

(d) As used in this section—

(1) The term “housing” means [A] new structures suitable for dwelling use by elderly families and new structures suitable for such use by one or more elderly persons [, and (B) dwelling facilities provided by rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for proposed dwelling use by such families and persons].

(2) The term “corporation” means any incorporated private institution or foundation no part of the net earnings of which inures to the benefit of any private shareholder, contributor, or individual, if such institution or foundation is approved by the Administrator as to financial responsibility.

(3) The term “development cost” means costs of construction of housing and of other related facilities, and of the land on which it is located, including necessary site improvement.

(4) The term “elderly families” means families the head of which (or his spouse) is sixty-two years of age or over; and the term “elderly persons” means persons who are sixty-two years of age or over. The Administrator shall prescribe such regulations as may be necessary to prevent abuses in determining, under the definitions contained in this paragraph, the eligibility of families and persons for admission to and occupancy of housing constructed with assistance under this section.

(5) The term “State” includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the possessions of the United States.

(6) The term “Administrator” means the Housing and Home Finance Administrator.

(7) The term “construction” means erection of new structures[, or rehabilitation, alteration, conversion, or improvement of existing structures].

(8) The term “related facilities” means [A] new structures suitable for use as cafeterias or dining halls, community rooms or buildings, or infirmaries or other inpatient or outpatient health facilities, or for other essential service facilities[, and (B) structures suitable for the above uses provided by rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for such uses].

(e) Nothing in this section or in regulations promulgated under this section shall prevent a corporation or consumer cooperative from obtaining a loan under this section for the provision of housing and related facilities for elderly families and elderly persons, notwithstanding the fact that such corporation or cooperative has theretofore obtained a commitment from the Federal Housing Administration for mortgage insurance under section 231 of the National Housing Act with respect to the housing involved, if (1) such corporation or cooperative is otherwise eligible for such loan under this section, (2) such commitment was obtained prior to the date of enactment of the

Housing Act of 1961, and (3) the Administrator determines that the financing of such housing through a loan under this section rather than through mortgage insurance under such section 231 is necessary or desirable in order to avoid hardship for the elderly families and elderly persons who are the prospective tenants of such housing.

## HOUSING ACT OF 1949

\* \* \* \* \*

### TITLE V—FARM HOUSING

#### FINANCIAL ASSISTANCE BY THE SECRETARY OF AGRICULTURE

SEC. 501. (a) The Secretary of Agriculture (hereinafter referred to as the "Secretary") is authorized, subject to the terms and conditions of this title, to extend financial assistance, through the Farmers Home Administration, (1) to owners of farms in the United States and in Puerto Rico and the Virgin Islands, to enable them to construct, improve, alter, repair, or replace dwellings and other farm buildings on their farms, to provide them, their tenants, lessees, sharecroppers, and laborers with decent, safe, and sanitary living conditions and adequate farm buildings as specified in this title, and (2) to owners of other real estate in rural areas to enable them to provide dwellings and related facilities for their own use and buildings adequate for their farming operations[.], and (3) *to elderly persons who are or will be the owners of land in rural areas for the construction, improvement, alteration, or repair of dwellings and related facilities, the purchase of previously occupied dwellings and related facilities and the purchase of land constituting a minimum adequate site, in order to provide them with adequate dwellings and related facilities for their own use.*

(b)(1) For the purpose of this title, the term "farm" shall mean a parcel or parcels of land operated as a single unit which is used for the production of one or more agricultural commodities and which customarily produces or is capable of producing such commodities for sale and for home use of a gross annual value of not less than the equivalent of a gross annual value of \$400 in 1944, as determined by the Secretary. The Secretary shall promptly determine whether any parcel or parcels of land constitute a farm for the purposes of this title whenever requested to do so by any interested Federal, State, or local public agency, and his determination shall be conclusive.

(2) For the purposes of this title, the terms "owner" "farms", and "mortgage" shall be deemed to include, respectively, the lessee of, the land included in, and other security interest in, any leasehold interest which the Secretary determines has an unexpired term (A) in the case of a loan, for a period sufficiently beyond the repayment period of the loan to provide adequate security and a reasonable probability of accomplishing the objectives for which the loan is made, and (B) in the case of a grant for a period sufficient to accomplish the objectives for which the grant is made.

(3) *For the purposes of this title, the term "elderly persons" means persons who are 62 years of age or over.*

(c) In order to be eligible for the assistance authorized by paragraph (a), the applicant must show (1) that he is the owner of a farm which



is without a decent, safe, and sanitary dwelling for himself and his family and necessary resident farm labor, or for the family of the operating tenant, lessee, or sharecropper, or without other farm buildings adequate for the type of farming in which he engages or desires to engage, or that he is the owner of other real estate in a rural area without an adequate dwelling or related facilities for his own use or buildings adequate for his farming operations, *or that he is an elderly person in a rural area without an adequate dwelling or related facilities for his own use*; (2) that he is without sufficient resources to provide the necessary housing and buildings on his own account; and (3) that he is unable to secure the credit necessary for such housing and buildings from other sources upon terms and conditions which he could reasonably be expected to fulfill.

(d) As used in this title (except in sections 503 and 504(b)), the terms "farm," "farm dwelling," and "farm housing" shall include dwellings or other essential buildings of eligible applicants.

#### LOANS FOR HOUSING AND BUILDINGS ON ADEQUATE FARMS

SEC. 502. (a) If the Secretary determines that an applicant is eligible for assistance as provided in section 501 and that the applicant has the ability to repay in full the sum to be loaned, with interest, giving due consideration to the income and earning capacity of the applicant and his family from the farm and other sources, and the maintenance of a reasonable standard of living for the owner and the occupants of said farm, a loan may be made by the Secretary to said applicant for a period of not to exceed thirty-three years from the making of the loan with interest at a rate not to exceed 4 per centum per annum on the unpaid balance of principal *In cases of applicants who are elderly persons, the Secretary may accept the personal liability of any person with adequate repayment ability who will cosign the applicant's note to compensate for any deficiency in the applicant's repayment ability.*

(b) The instruments under which the loan is made and the security given shall—

(1) provide for security upon the applicant's equity in the farm or such other security or collateral, if any, as may be found necessary by the Secretary reasonably to assure repayment of the indebtedness;

(2) provide for the repayment of principal and interest in accordance with schedules and repayment plans prescribed by the Secretary;

(3) contain the agreement of the borrower that he will, at the request of the Secretary, proceed with diligence to refinance the balance of the indebtedness through cooperative or other responsible private credit sources whenever the Secretary determines, in the light of the borrower's circumstances, including his earning capacity and the income from the farm, that he is able to do so upon reasonable terms and conditions;

(4) be in such form and contain such covenants as the Secretary shall prescribe to secure the payment of the loan with interest, protect the security, and assure that the farm will be maintained in repair and that waste and exhaustion of the farm will be prevented.

## LOANS FOR HOUSING AND BUILDINGS ON POTENTIALLY ADEQUATE FARMS

SEC. 503. If the Secretary determines (a) that, because of the inadequacy of the income of an eligible applicant from the farm to be improved and from other sources, said applicant may not reasonably be expected to make annual repayments of principal and interest in an amount sufficient to repay the loan in full within the period of time prescribed by the Secretary as authorized in this title; (b) that the income of the applicant may be sufficiently increased within a period of not to exceed five years by improvement or enlargement of the farm or an adjustment of the farm practices or methods; and (c) that the applicant has adopted and may reasonably be expected to put into effect a plan of farm improvement, enlargement, or adjusted practices or production which, in the opinion of the Secretary, will increase the applicant's income from said farm within a period of not to exceed five years to the extent that the applicant may be expected thereafter to make annual repayments of principal and interest sufficient to repay the balance of the indebtedness less payments in cash and credits for the contributions to be made by the Secretary as hereinafter provided, the Secretary may make a loan in an amount necessary to provide adequate farm dwellings and buildings on said farm under the terms and conditions prescribed in section 502. In addition, the Secretary may agree with the borrower to make annual contributions during the said five-year period in the form of credits on the borrower's indebtedness in an amount not to exceed the annual installment of interest and 50 per centum of the principal payments accruing during any installment year up to and including the fifth installment year, subject to the conditions that the borrower's income is, in fact, insufficient to enable the borrower to make payments in accordance with the plan or schedule prescribed by the Secretary and that the borrower pursues his plan of farm reorganization and improvements or enlargement with due diligence.

This agreement with respect to credits or principal and interest upon the borrower's indebtedness shall not be assignable nor accrue to the benefit of any third party without the written consent of the Secretary and the Secretary shall have the right, at his option, to cancel the agreement upon the sale of the farm or the execution or creation of any lien thereon subsequent to the lien given to the Secretary, or to refuse to release the lien given to the Secretary except upon payment in cash of the entire original principal plus accrued interest thereon less actual cash payments of principal and interest when the Secretary determines that the release of the lien would permit the benefits of this section to accrue to a person not eligible to receive such benefits.

OTHER SPECIAL LOANS AND GRANTS FOR MINOR IMPROVEMENTS  
TO FARM HOUSING AND BUILDINGS

SEC. 504. (a) In the event the Secretary determines that an eligible applicant cannot qualify for a loan under the provisions of sections 502 and 503 and that repairs or improvements should be made to a farm dwelling occupied by him, in order to make such dwelling safe and sanitary and remove hazards to the health of the occupant, his family, or the community, and that repairs should be made to farm buildings in order to remove hazards and make such buildings safe, the Secretary may make a grant or a combined loan and grant, to the



applicant to cover the cost of improvements or additions, such as repairing roofs, providing toilet facilities, providing a convenient and sanitary water supply, supplying screens, repairing or providing structural supports, or making other similar repairs or improvements. No assistance shall be extended to any one individual under this subsection [(1) in the form of a loan, or combined loan and grant, in excess of \$1,000, or (2) in the form of a grant (whether or not combined with a loan) in excess of \$500] *in the form of a loan, grant, or combined loan and grant in excess of \$1,000.* Any portion of the sums advanced to the borrower treated as a loan shall be secured and be repayable in accordance with the principles and conditions set forth in this title. Sums made available by grant may be made subject to the conditions set out in this title for the protection of the Government with respect to contributions made on loans by the Secretary.

(b) In order to encourage adequate family-size farms the Secretary may make loans under this section and section 503 to any applicant whose farm needs enlargement or development in order to provide income sufficient to support decent, safe, and sanitary housing and other farm buildings, and may use the funds made available under clause (b) of section 513 for such purposes.

#### MORATORIUM ON PAYMENTS UNDER LOANS

SEC. 505. During any time that any such loan is outstanding, the Secretary is authorized under regulations to be prescribed by him to grant a moratorium upon the payment of interest and principal on such loan for so long a period as he deems necessary, upon a showing by the borrower that due to circumstances beyond his control, he is unable to continue making payments of such principal and interest when due without unduly impairing his standard of living. In cases of extreme hardship under the foregoing circumstances, the Secretary is further authorized to cancel interest due and payable on such loans during the moratorium. Should any foreclosure of such a mortgage securing such a loan upon which a moratorium has been granted occur, no deficiency judgment shall be taken against the mortgagor if he shall have faithfully tried to meet his obligation.

#### TECHNICAL SERVICES AND RESEARCH

SEC. 506. (a) In connection with financial assistance authorized in sections 501 to 504, inclusive, and [section 514] *sections 514 and 515*, the Secretary shall require that all new buildings and repairs financed under this title shall be substantially constructed and in accordance with such building plans and specifications as may be required by the Secretary. Buildings and repairs constructed with funds advanced pursuant to this title shall be supervised and inspected, as may be required by the Secretary, by competent employees of the Secretary. In addition to the financial assistance authorized in sections 501 to 504, inclusive, and [section 514] *sections 514 and 515*, the Secretary is authorized to furnish, through such agencies as he may determine, to any person, including a person eligible for financial assistance under this title, without charge or at such charges as the Secretary may determine, technical services such as building plans, specifications, construction supervision and inspection, and advice and information regarding farm dwellings and other buildings.

(b) The Secretary is further authorized to conduct research and technical studies including the development, demonstration, and promotion of construction of adequate farm dwellings and other buildings for the purpose of stimulating construction, improving the architectural design and utility of such dwellings and buildings, and utilizing new and native materials, economies in materials and construction methods, and new methods of production, distribution, assembly, and construction, with a view to reducing the cost of farm dwellings and buildings and adapting and developing fixtures and appurtenances for more efficient and economical farm use.

(c) The Secretary is further authorized to carry out a program of research, study, and analysis of farm housing in the United States to develop data and information on—

- (1) the adequacy of existing farm housing;
- (2) the nature and extent of current and prospective needs for farm housing, including needs for financing and for improved design, utility, and comfort, and the best methods of satisfying such needs;
- (3) problems faced by farmers and other persons eligible under section 501 in purchasing, constructing, improving, altering, repairing, and replacing farm housing;
- (4) the interrelation of farm housing problems and the problems of housing in urban and suburban areas; and
- (5) any other matters bearing upon the provision of adequate farm housing.

(d) To the extent determined by him to be advisable, the Secretary may carry out the research and study programs authorized by subsections (b) and (c) through grants made by him on such terms, conditions, and standards as he may prescribe to land-grant colleges established pursuant to the Act of July 2, 1862 (7 U.S.C. 301–308) or through such other agencies as he may select.

(e) The Secretary of Agriculture shall prepare and submit to the President and to the Congress estimates of national farm housing needs and reports with respect to the progress being made toward meeting such needs, and correlate and recommend proposals for such executive action or legislation necessary or desirable for the furtherance of the national housing objective and policy established by this Act with respect to farm housing, together with such other reports or information as may be required of the Secretary by the President or the Congress.

#### PREFERENCES FOR VETERANS AND FAMILIES OF DECEASED SERVICEMEN

SEC. 507. As between eligible applicants seeking assistance under sections 501 to 504, inclusive, the Secretary shall give preference to veterans and the families of deceased servicemen. As used herein, a “veteran” shall mean a person who served in the military forces of the United States during any war between the United States and any other nation or during the period beginning June 27, 1950, and ending on such date as shall be determined by Presidential proclamation or concurrent resolution of Congress and who was discharged or released therefrom on conditions other than dishonorable. “Deceased servicemen” shall mean persons who served in the military forces of the United States during any war between the United States and any



other nation or during the period beginning June 27, 1950, and ending on such date as shall be determined by Presidential proclamation or concurrent resolution of Congress and who died in service before the termination of such war or such period.

#### LOCAL COMMITTEES TO ASSIST SECRETARY

SEC. 508. (a) For the purposes of this subsection and subsection (b) of this section, the Secretary may use the services of any existing committee of farmers operating (pursuant to laws or regulations carried out by the Department of Agriculture) in any county or parish in which activities are carried on under this title. In any county or parish in which activities are carried on under this title and in which no existing satisfactory committee is available, the Secretary is authorized to appoint a committee composed of three persons residing in the county or parish. Each member of such existing or newly appointed committee shall be allowed compensation at the rate determined by the Secretary while engaged in the performance of duties under this title and, in addition, shall be allowed such amounts as the Secretary may prescribe for necessary traveling and subsistence expenses. One member of the committee shall be designated by the Secretary as chairman. The Secretary shall prescribe rules governing the procedures of the committees, furnish forms and equipment necessary for the performance of their duties, and authorize and provide for the compensation of such clerical assistance as he deems may be required by any committee.

(b) The committees utilized or appointed pursuant to this section shall examine applications of persons desiring to obtain the benefits of this title and shall submit recommendations to the Secretary with respect to each applicant as to whether the applicant is eligible to receive the benefits of this title, whether by reason of his character, ability, and experience, he is likely successfully to carry out undertakings required of him under a loan or grant under this title, and whether the farm with respect to which the application is made is of such character that there is a reasonable likelihood that the making of the loan or grant requested will carry out the purposes of this title. The committees shall also certify to the Secretary as to the amount of the loan or grant. The committees shall, in addition, perform such other duties under this title as the Secretary may require.

#### GENERAL POWERS OF SECRETARY

SEC. 509. (a) The Secretary, for the purposes of this title, shall have the power to determine and prescribe the standards of adequate farm housing and other buildings, by farms or localities, taking into consideration, among other factors, the type of housing which will provide decent, safe, and sanitary dwelling for the needs of the family using the housing, the type and character of the farming operations to be conducted, and the size and earning capacity of the land.

(b) The Secretary may require any recipient of a loan or grant to agree that the availability of improvements constructed or repaired with the proceeds of the loan or grant under this title shall not be a justification for directly or indirectly changing the terms or conditions of the lease or occupancy agreement with the occupants of

such farms to the latter's disadvantage without the approval of the Secretary.

#### ADMINISTRATIVE PROVISIONS

SEC. 510. In carrying out the provisions of this title, the Secretary shall have the power to—

(a) make contracts for services and supplies without regard to the provisions of section 3709 of the Revised Statutes, as amended, when the aggregate amount involved is less than \$300;

(b) enter into subordination, subrogation, or other agreements satisfactory to the Secretary;

(c) compromise claims and obligations arising out of sections 502 to 505, inclusive, of this title and adjust and modify the terms of mortgages, leases, contracts, and agreements entered into as circumstances may require, including the release from personal liability, without payments of further consideration, of—

(1) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume the outstanding indebtedness to the Secretary under this title; and

(2) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume that portion of the outstanding indebtedness to the Secretary under this title which is equal to the earning capacity value of the farm at the time of the transfer, and borrowers whose farms have been acquired by the Secretary, in cases where the Secretary determines that the original borrowers have cooperated in good faith with the Secretary, have farmed in a workmanlike manner, used due diligence to maintain the security against loss, and otherwise fulfilled the covenants incident to their loans, to the best of their abilities;

(d) collect all claims and obligations arising out of or under any mortgage, lease, contract, or agreement entered into pursuant to this title and, if in his judgment necessary and advisable, to pursue the same to final collection in any court having jurisdiction: *Provided*, That the prosecution and defense of all litigation under this title shall be conducted under the supervision of the Attorney General and the legal representation shall be by the United States attorneys for the districts, respectively, in which such litigation may arise and by such other attorney or attorneys as may, under law, be designated by the Attorney General;

(e) bid for and purchase at any foreclosure or other sale or otherwise to acquire the property pledged or mortgaged to secure a loan or other indebtedness owing under this title, to accept title to any property so purchased or acquired, to operate or lease such property for such period as may be necessary or advisable, to protect the interest of the United States therein and to sell or otherwise dispose of the property so purchased or acquired by such terms and for such considerations as the Secretary shall determine to be reasonable and to make loans as provided herein to provide adequate farm dwellings and buildings for the purchasers of such property;

(f) utilize with respect to the indebtedness arising from loans and payments made under this title, all the powers and authorities



given to him under the Act approved December 20, 1944, entitled "An Act to authorize the Secretary of Agriculture to compromise, adjust, or cancel certain indebtedness, and for other purposes" (58 Stat. 836), as such Act now provides or may hereafter be amended;

(g) make such rules and regulations as he deems necessary to carry out the purposes of this title.

#### LOAN FUNDS

SEC. 511. The Secretary may issue notes and other obligations for purchase by the Secretary of the Treasury for the purpose of making loans under this title (other than loans under section 504(b) or 515(a)). The total principal amount of such notes and obligations issued pursuant to this section during the period beginning July 1, 1956, and ending June 30, 1965, shall not exceed **[\$650,000,000]** *\$700,000,000, of which \$50,000,000 shall be available exclusively for assistance to elderly persons as provided in clause (3) of section 501(a).* The notes and obligations issued by the Secretary shall be secured by the obligations of borrowers and the Secretary's commitments to make contributions under this title and shall be repaid from the payment of principal and interest on the obligations of the borrowers and from funds appropriated hereunder. The notes and other obligations issued by the Secretary shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes or obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or obligations by the Secretary. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Secretary issued hereunder and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or obligations shall be treated as public debt transactions of the United States.

#### CONTRIBUTIONS

SEC. 512. In connection with loans made pursuant to section 503, the Secretary is authorized to make commitments for contributions aggregating not to exceed \$10,000,000 during the period beginning July 1, 1956, and ending June 30, 1965.

SEC. 513. There is hereby authorized to be appropriated to the Secretary (a) such sums as may be necessary to meet payments on notes or other obligations issued by the Secretary under section 511 equal to (i) the aggregate of the contributions made by the Secretary in the form of credits on principal due on loans made pursuant to sec-

tion 503, and (ii) the interest due on a similar sum represented by notes or other obligations issued by the Secretary; (b) not to exceed \$50,000,-000 for grants pursuant to section 504(a) and loans pursuant to section 504(b) during the period beginning July 1, 1956, and ending June 30, 1965; (c) not to exceed \$250,000 per year for research and study programs pursuant to subsections (b), (c), and (d) of section 506 during the period beginning July 1, 1961, and ending June 30, 1965; and (d) such further sums as may be necessary to enable the Secretary to carry out the provisions of this title.

INSURANCE OF LOANS FOR THE PROVISION OF HOUSING AND RELATED FACILITIES FOR DOMESTIC FARM LABOR

SEC. 514. (a) The Secretary is authorized to insure and make commitments to insure loans made by lenders other than the United States to the owner of any farm, any association of farmers, any State or political subdivision thereof, or any public or private nonprofit organization for the purpose of providing housing and related facilities for domestic farm labor in accordance with terms and conditions substantially identical with those specified in section 502; except that—

(1) no such loan shall be insured in an amount in excess of the value of the farm involved less any prior liens in the case of a loan to an individual owner of a farm, or the total estimated value of the structures and facilities with respect to which the loan is made in the case of any other loan;

(2) no such loan shall be insured if it bears interest at a rate in excess of 5 per centum per annum;

(3) out of interest payments by the borrower the Secretary shall retain a charge in an amount not less than one-half of 1 per centum per annum of the unpaid principal balance of the loan;

(4) the insurance contracts and agreements with respect to any loan may contain provisions for servicing the loan by the Secretary or by the lender, and for the purchase by the Secretary of the loan if it is not in default, on such terms and conditions as the Secretary may prescribe; and

(5) the Secretary may take mortgages creating a lien running to the United States for the benefit of the insurance fund referred to in subsection (b) notwithstanding the fact that the note may be held by the lender or his assignee.

(b) The Secretary shall utilize the insurance fund created by section 11 of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1005a) and the provisions of section 13 (a), (b), and (c) of such Act (7 U.S.C. 1005c (a), (b), and (c)) to discharge obligations under insurance contracts made pursuant to this section, and

(1) the Secretary may utilize the insurance fund to pay taxes, insurance, prior liens, and other expenses to protect the security for loans which have been insured hereunder and to acquire such security property at foreclosure sale or otherwise;

(2) the notes and security therefor acquired by the Secretary under insurance contracts made pursuant to this section shall become a part of the insurance fund. Loans insured under this section may be held in the fund and collected in accordance with



their terms or may be sold and reinsured. All proceeds from such collections, including the liquidation of security and the proceeds of sales, shall become a part of the insurance fund; and

(3) of the charges retained by the Secretary out of interest payments by the borrower, amounts not less than one-half of 1 per centum per annum of the unpaid principal balance of the loan shall be deposited in and become a part of the insurance fund. The remainder of such charges shall be deposited in the Treasury of the United States and shall be available for administrative expenses of the Farmers Home Administration, to be transferred annually to and become merged with any appropriation for such expenses.

(c) Any contract of insurance executed by the Secretary under this section shall be an obligation of the United States and incontestable except for fraud or misrepresentation of which the holder of the contract has actual knowledge.

(d) The aggregate amount of the principal obligations of the loans insured under this section shall not exceed \$25,000,000 in any one fiscal year.

(e) Amounts made available pursuant to section 513 of this Act shall be available for administrative expenses incurred under this section.

(f) As used in this section—

(1) the term "housing" means (A) new structures suitable for dwelling use by domestic farm labor, and (B) existing structures which can be made suitable for dwelling use by domestic farm labor by rehabilitation, alteration, conversion, or improvement; and

(2) the term "related facilities" means (A) new structures suitable for use as dining halls, community rooms or buildings, or infirmaries, or for other essential services facilities, and (B) existing structures which can be made suitable for the above uses by rehabilitation, alteration, conversion, or improvement; and

(3) the term "domestic farm labor" means citizens of the United States who receive a substantial portion (as determined by the Secretary) of their income as laborers on farms situated in the United States.

*DIRECT AND INSURED LOANS TO PROVIDE HOUSING AND RELATED FACILITIES FOR ELDERLY PERSONS AND FAMILIES IN RURAL AREAS*

*SEC. 515. (a) The Secretary is authorized to make loans to private nonprofit corporations and consumer cooperatives to provide rental housing and related facilities for elderly persons and elderly families of low or moderate income in rural areas, in accordance with terms and conditions substantially identical with those specified in section 502; except that—*

*(1) no such loan shall exceed the development cost or the value of the security, whichever is less;*

*(2) such loans shall bear interest at rates determined by the Secretary, not to exceed the maximum rate provided in section 202(a)(3) of the Housing Act of 1959; and*

(3) such a loan may be made for a period of up to fifty years from the making of the loan.

There is authorized to be appropriated not to exceed \$50,000,000, which shall constitute a revolving fund to be used by the Secretary in carrying out this subsection.

(b) The Secretary is authorized to insure and make commitments to insure loans made to any individual, corporation, association, trust, or partnership to provide rental housing and related facilities for elderly persons and elderly families in rural areas, in accordance with terms and conditions substantially identical with those specified in section 502; except that—

(1) no such loan shall exceed \$100,000 or the development cost or the value of the security, whichever is least;

(2) such loans shall bear interest at rates determined by the Secretary, not to exceed the maximum rate provided in section 203(b)(5) of the National Housing Act;

(3) provide for complete amortization by periodic payments within such term as the Secretary may prescribe;

(4) for insuring such loans, the Secretary shall utilize the Agricultural Credit Insurance Fund subject to all the provisions of section 309 and the second and third sentences of section 308 of the Consolidated Farmers Home Administration Act of 1961, including the authority in section 309(f)(1) of that Act to utilize the insurance fund to make, sell, and insure loans which could be insured under this subsection; but the aggregate of the principal amounts of such loans made by the Secretary and not disposed of shall not exceed \$10,000,000 outstanding at any one time; and the Secretary may take liens running to the United States though the notes may be held by other lenders; and

(5) no loan shall be insured under this subsection after June 30, 1964.

(c) No loan shall be made or insured under subsection (a) or (b) unless the Secretary finds that the construction involved will be undertaken in an economical manner and will not be of elaborate or extravagant design or materials.

(d) As used in this section—

(1) the term "housing" means new or existing housing suitable for dwelling use by elderly persons or elderly families;

(2) the term "related facilities" includes cafeterias or dining halls, community rooms or buildings, appropriate recreation facilities, and other essential service facilities;

(3) the term "elderly persons" means persons who are 62 years of age or over; and the term "elderly families" means families the head of which (or his spouse) is 62 years of age or over; and

(4) the term "development cost" means the costs of constructing, purchasing, improving, altering, or repairing new or existing housing and related facilities and purchasing and improving the necessary land, including necessary and appropriate fees and charges approved by the Secretary.

(e) Amounts made available pursuant to section 513 of this Act shall be available for administrative expenses incurred under this section.

**PARAGRAPH (12) OF SECTION 5200 OF THE REVISED  
STATUTES**

(12) Obligations insured by the Secretary of Agriculture pursuant to the Bankhead-Jones Farm Tenant Act, as amended, or the Act of August 28, 1937, as amended (relating to the conservation of water resources), *or title V of the Housing Act of 1949*, shall be subject under this section to a limitation of 15 per centum of such capital and surplus in addition to such 10 per centum of such capital and surplus.









87<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 12628

[Report No. 2052]

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## IN THE HOUSE OF REPRESENTATIVES

JULY 19, 1962

Mr. RAINS introduced the following bill; which was referred to the Committee on Banking and Currency

JULY 28, 1962

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

---

## A BILL

To provide additional funds under section 202 (a) (4) of the Housing Act of 1959, and to amend title V of the Housing Act of 1949, in order to provide low and moderate cost housing, both urban and rural, for the elderly.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the "Senior Citizens Housing  
4       Act of 1962".

5       SEC. 2. The Congress finds that there is a large and  
6       growing need for suitable housing for older people both  
7       in urban and rural areas. Our older citizens face special  
8       problems in meeting their housing needs because of the  
9       prevalence of modest and limited incomes among the elderly,

1 their difficulty in obtaining liberal long-term home mortgage  
2 credit, and their need for housing planned and designed  
3 to include features necessary to the safety and convenience  
4 of the occupants in a suitable neighborhood environment.  
5 The Congress further finds that the present programs for  
6 housing the elderly under the Housing and Home Finance  
7 Agency have proven the value of Federal credit assistance  
8 in this field and at the same time demonstrated the urgent  
9 need for an expanded and more comprehensive effort to  
10 meet our responsibilities to our senior citizens.

11 SEC. 3. Section 202(a)(4) of the Housing Act of 1959  
12 is amended by striking out "\$125,000,000" and inserting in  
13 lieu thereof "\$225,000,000".

14 SEC. 4. (a)(1) Section 501 of the Housing Act of 1949  
15 is amended—

16 (A) by striking out the period at the end of sub-  
17 section (a) and inserting in lieu thereof the following:  
18 “, and (3) to elderly persons who are or will be the  
19 owners of land in rural areas for the construction, im-  
20 provement, alteration, or repair of dwellings and related  
21 facilities, the purchase of previously occupied dwellings  
22 and related facilities and the purchase of land constitut-  
23 ing a minimum adequate site, in order to provide them  
24 with adequate dwellings and related facilities for their  
25 own use.”;

1           ~~(B)~~ by inserting at the end of subsection ~~(b)~~ the  
2 following new paragraph:

3           ~~“(3)~~ For the purposes of this title, the term ‘elderly  
4 persons’ means persons who are 62 years of age or over.”;  
5 and

6           ~~(C)~~ by inserting immediately before the semicolon  
7 at the end of clause ~~(1)~~ of subsection ~~(c)~~ the following:  
8           ~~“~~, or that he is an elderly person in a rural area without  
9 an adequate dwelling or related facilities for his own  
10 use”.

11           ~~(2)~~ Section 502~~(a)~~ of such Act is amended by adding  
12 at the end thereof the following new sentence: “In cases of  
13 applicants who are elderly persons, the Secretary may accept  
14 the personal liability of any person with adequate repay-  
15 ment ability who will cosign the applicant’s note to compen-  
16 sate for any deficiency in the applicant’s repayment ability.”

17           ~~(b)~~ Title V of the Housing Act of 1949 is amended  
18 by adding at the end thereof the following new section:

19           “DIRECT AND INSURED LOANS TO PROVIDE HOUSING AND  
20 RELATED FACILITIES FOR ELDERLY PERSONS AND  
21 FAMILIES IN RURAL AREAS

22           “SEC. 515. ~~(a)~~ The Secretary is authorized to make  
23 loans to private nonprofit corporations and consumer cooper-  
24 tives to provide rental housing and related facilities for  
25 elderly persons and families of low or moderate income in



1 rural areas; in accordance with terms and conditions sub-  
2 stantially identical with those specified in section 502; except  
3 that—

4 “(1) no such loan shall exceed the development  
5 cost or the value of the security, whichever is less;

6 “(2) such loans shall bear interest at rates deter-  
7 mined by the Secretary, not to exceed the maximum  
8 rate provided in section 202(a)(3) of the Housing  
9 Act of 1959; and

10 “(3) such a loan may be made for a period of up  
11 to fifty years from the making of the loan.

12 There is authorized to be appropriated not to exceed  
13 \$50,000,000, which shall constitute a revolving fund to be  
14 used by the Secretary in carrying out this subsection.

15 “(b) The Secretary is authorized to insure and make  
16 commitments to insure loans made to any individual, cor-  
17 poration, association, trust, or partnership to provide rental  
18 housing and related facilities for elderly persons and families  
19 in rural areas, in accordance with terms and conditions sub-  
20 stantially identical with those specified in section 502; ex-  
21 cept that—

22 “(1) no such loan shall exceed \$100,000 or the  
23 development cost or the value of the security, which-  
24 ever is least;

1           ~~“(2)~~ such loans shall bear interest at rates deter-  
2           mined by the Secretary, not to exceed the maximum rate  
3           provided in section ~~203 (b) (5)~~ of the National Housing  
4           Act;

5           ~~“(3)~~ provide for complete amortization by periodic  
6           payments within such term as the Secretary may pre-  
7           scribe;

8           ~~“(4)~~ for insuring such loans, the Secretary shall  
9           utilize the Agricultural Credit Insurance Fund subject to  
10          all the provisions of section 309 and the second and third  
11          sentences of section 308 of the Consolidated Farmers  
12          Home Administration Act of 1961, including the author-  
13          ity in section ~~309 (f) (1)~~ of that Act to utilize the in-  
14          surance fund to make, sell, and insure loans which could  
15          be insured under this subsection; but the aggregate of  
16          the principal amounts of such loans made by the Sece-  
17          tary and not disposed of shall not exceed \$10,000,000  
18          outstanding at any one time; and the Secretary may  
19          take liens running to the United States though the notes  
20          may be held by other lenders; and

21          ~~“(5)~~ no loan shall be insured under this subsection  
22          after June 30, 1964.

23          ~~“(e)~~ No loan shall be made or insured under subsec-  
24          tion ~~(a)~~ or ~~(b)~~ unless the Secretary finds that the construe-

tion involved will be undertaken in an economical manner and will not be of elaborate or extravagant design or materials.

“(d) As used in this section—

“(1) the term ‘housing’ means new or existing housing suitable for dwelling use by elderly persons or elderly families;

“(2) the term ‘related facilities’ includes cafeterias or dining halls; community rooms or buildings; appropriate recreation facilities; and other essential service facilities;

“(3) the term ‘elderly persons’ means persons who are 62 years of age or over; and the term ‘elderly families’ means families the head of which (or his spouse) is 62 years of age or over; and

“(4) the term ‘development cost’ means the costs of constructing, purchasing, improving, altering, or repairing new or existing housing and related facilities and purchasing and improving the necessary land, including necessary and appropriate fees and charges approved by the Secretary.

“(e) Amounts made available pursuant to section 513 of this Act shall be available for administrative expenses incurred under this section.”



1       ~~(c)-(1)~~ Section 511 of the Housing Act of 1949 is  
2 amended—

3           ~~(A)~~ by striking out “section 504(b)” and insert-  
4 ing in lieu thereof “section 504(b) or 515(a)”;

5           ~~(B)~~ by striking out “\$650,000,000” and inserting  
6 in lieu thereof “\$700,000,000, of which \$50,000,000  
7 shall be available exclusively for assistance to elderly  
8 persons as provided in clause ~~(3)~~ of section 501(a)”.

9       ~~(2)~~ Section 506(a) of such Act is amended by strik-  
10 ing out “section 514” each place it appears and inserting  
11 in lieu thereof “sections 514 and 515”.

12       ~~(3)~~ Section 504(a) of such Act is amended by strik-  
13 ing out “~~(1)~~ in the form of a loan, or combined loan and  
14 grant, in excess of \$1,000, or ~~(2)~~ in the form of a grant  
15 ~~(whether or not combined with a loan)~~ in excess of \$500”  
16 and inserting in lieu thereof “in the form of a loan, grant,  
17 or combined loan and grant in excess of \$1,000”.

18       ~~(4)~~ Paragraph ~~(12)~~ of section 5200 of the Revised  
19 Statutes ~~(12 U.S.C. 84)~~ is amended by inserting “or title  
20 V of the Housing Act of 1949,” immediately before “shall  
21 be subject under this section”.

22       *That this Act may be cited as the “Senior Citizens Housing*  
23 *Act of 1962”.*

24       *SEC. 2. The Congress finds that there is a large and*



1 growing need for suitable housing for older people both  
2 in urban and rural areas. Our older citizens face special  
3 problems in meeting their housing needs because of the  
4 prevalence of modest and limited incomes among the elderly,  
5 their difficulty in obtaining liberal long-term home mortgage  
6 credit, and their need for housing planned and designed  
7 to include features necessary to the safety and convenience  
8 of the occupants in a suitable neighborhood environment.  
9 The Congress further finds that the present programs for  
10 housing the elderly under the Housing and Home Finance  
11 Agency have proven the value of Federal credit assistance  
12 in this field and at the same time demonstrated the urgent  
13 need for an expanded and more comprehensive effort to  
14 meet our responsibilities to our senior citizens.

15 SEC. 3. (a) Section 202(a)(4) of the Housing Act of  
16 1959 is amended by striking out “\$125,000,000” and insert-  
17 ing in lieu thereof “\$225,000,000”.

18 (b) Effective with respect to applications for loans  
19 under section 202 of the Housing Act of 1959 made after the  
20 date of the enactment of this Act—

21 (1) section 202(d)(1) of such Act is amended by  
22 striking out “(A)”, and by striking “, and (B)” and  
23 all that follows and inserting in lieu thereof a period;

24 (2) section 202(d)(7) of such Act is amended by

striking out all that follows “new structures” and inserting in lieu thereof a period; and

(3) section 202(d)(8) of such Act is amended by striking out “(A)”, and by striking out “, and (B)” and all that follows and inserting in lieu thereof a period.

SEC. 4. (a)(1) Section 501 of the Housing Act of 1949 is amended—

(A) by striking out the period at the end of subsection (a) and inserting in lieu thereof the following:

“, and (3) to elderly persons who are or will be the owners of land in rural areas for the construction, improvement, alteration, or repair of dwellings and related facilities, the purchase of previously occupied dwellings and related facilities and the purchase of land constituting a minimum adequate site, in order to provide them with adequate dwellings and related facilities for their own use.”;

(B) by inserting at the end of subsection (b) the following new paragraph:

“(3) For the purposes of this title, the term ‘elderly persons’ means persons who are 62 years of age or over.”; and

(C) by inserting immediately before the semicolon at the end of clause (1) of subsection (c) the following:

1       “, or that he is an elderly person in a rural area without  
2       an adequate dwelling or related facilities for his own  
3       use”.

4       (2) Section 502(a) of such Act is amended by adding  
5       at the end thereof the following new sentence: “In cases of  
6       applicants who are elderly persons, the Secretary may accept  
7       the personal liability of any person with adequate repay-  
8       ment ability who will cosign the applicant’s note to compen-  
9       sate for any deficiency in the applicant’s repayment ability.”

10       (b) Title V of the Housing Act of 1949 is amended  
11       by adding at the end thereof the following new section:

12       “DIRECT AND INSURED LOANS TO PROVIDE HOUSING AND  
13       RELATED FACILITIES FOR ELDERLY PERSONS AND  
14       FAMILIES IN RURAL AREAS

15       “SEC. 515. (a) The Secretary is authorized to make  
16       loans to private nonprofit corporations and consumer coopera-  
17       tives to provide rental housing and related facilities for  
18       elderly persons and elderly families of low or moderate  
19       income in rural areas, in accordance with terms and condi-  
20       tions substantially identical with those specified in section 502;  
21       except that—

22               “(1) no such loan shall exceed the development  
23       cost or the value of the security, whichever is less;

24               “(2) such loans shall bear interest at rates deter-  
25       mined by the Secretary, not to exceed the maximum



rate provided in section 202(a)(3) of the Housing Act of 1959; and

“(3) such a loan may be made for a period of up to fifty years from the making of the loan.

There is authorized to be appropriated not to exceed \$50,000,000, which shall constitute a revolving fund to be used by the Secretary in carrying out this subsection.

“(b) The Secretary is authorized to insure and make commitments to insure loans made to any individual, corporation, association, trust, or partnership to provide rental housing and related facilities for elderly persons and elderly families in rural areas, in accordance with terms and conditions substantially identical with those specified in section 502; except that—

“(1) no such loan shall exceed \$100,000 or the development cost or the value of the security, whichever is least;

“(2) such loans shall bear interest at rates determined by the Secretary, not to exceed the maximum rate provided in section 203(b)(5) of the National Housing Act;

“(3) provide for complete amortization by periodic payments within such term as the Secretary may prescribe;

“(4) for insuring such loans, the Secretary shall



1       utilize the *Agricultural Credit Insurance Fund* subject to  
2       all the provisions of section 309 and the second and third  
3       sentences of section 308 of the *Consolidated Farmers*  
4       *Home Administration Act of 1961*, including the author-  
5       ity in section 309(f)(1) of that Act to utilize the in-  
6       surance fund to make, sell, and insure loans which could  
7       be insured under this subsection; but the aggregate of  
8       the principal amounts of such loans made by the Secre-  
9       tary and not disposed of shall not exceed \$10,000,000  
10      outstanding at any one time; and the Secretary may  
11      take liens running to the United States though the notes  
12      may be held by other lenders; and

13           “(5) no loan shall be insured under this subsection  
14      after June 30, 1964.

15      “(c) No loan shall be made or insured under subsec-  
16      tion (a) or (b) unless the Secretary finds that the construc-  
17      tion involved will be undertaken in an economical manner  
18      and will not be of elaborate or extravagant design or mate-  
19      rials.

20      “(d) As used in this section—

21           “(1) the term ‘housing’ means new or existing  
22      housing suitable for dwelling use by elderly persons  
23      or elderly families;

24           “(2) the term ‘related facilities’ includes cafeterias

1 or dining halls, community rooms or buildings, appropri-  
2 ate recreation facilities, and other essential service  
3 facilities;

4 “(3) the term ‘elderly persons’ means persons who  
5 are 62 years of age or over; and the term ‘elderly fami-  
6 lies’ means families the head of which (or his spouse)  
7 is 62 years of age or over; and

8 “(4) the term ‘development cost’ means the costs  
9 of constructing, purchasing, improving, altering, or re-  
10 pairing new or existing housing and related facilities  
11 and purchasing and improving the necessary land, in-  
12 cluding necessary and appropriate fees and charges ap-  
13 proved by the Secretary.

14 “(e) Amounts made available pursuant to section 513  
15 of this Act shall be available for administrative expenses  
16 incurred under this section.”

17 (c)(1) Section 511 of the Housing Act of 1949 is  
18 amended—

19 (A) by striking out “section 504(b)” and insert-  
20 ing in lieu thereof “section 504(b) or 515(a)”; and

21 (B) by striking out “\$650,000,000” and inserting  
22 in lieu thereof “\$700,000,000, of which \$50,000,000  
23 shall be available exclusively for assistance to elderly  
24 persons as provided in clause (3) of section 501(a)”.

1       (2) Section 506(a) of such Act is amended by striking  
2 out "section 514" each place it appears and inserting in lieu  
3 thereof "sections 514 and 515".

4       (3) Section 504(a) of such Act is amended by striking  
5 out "(1) in the form of a loan, or combined loan and grant,  
6 in excess of \$1,000, or (2) in the form of a grant (whether  
7 or not combined with a loan) in excess of \$500" and inserting  
8 in lieu thereof "in the form of a loan, grant, or combined  
9 loan and grant in excess of \$1,000".

10       (4) Paragraph (12) of section 5200 of the Revised  
11 Statutes (12 U.S.C. 84) is amended by inserting "or title V  
12 of the Housing Act of 1949," immediately before "shall be  
13 subject under this section".





87TH CONGRESS  
2D Session

H. R. 12628

[Report No. 2052]

A BILL

To provide additional funds under section 202 (a) (4) of the Housing Act of 1959, and to amend title V of the Housing Act of 1949, in order to provide low and moderate cost housing, both urban and rural, for the elderly.

By Mr. RAINS

JULY 19, 1962

Referred to the Committee on Banking and Currency

JULY 28, 1962

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed





# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

(For information only;  
should not be quoted  
or cited)

Issued August 2, 1962  
For actions of August 1, 1962  
87th-2d, No. 133

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HIGHLIGHTS: Sen. Mansfield stated farm bill will not be considered for several days. Sen. Cooper opposed inclusion of compulsory feed-grain controls in farm bill. Sen. Proxmire urged approval of farm bill as reported by Senate committee. Senate confirmed Baker nomination. Senate committee voted to report bill to extend (continued on page 6)

## HOUSE

1. INDEPENDENT OFFICES APPROPRIATION BILL, 1963. By a vote of 368 to 12, passed with amendment H. R. 12711, the independent offices appropriation bill for 1963. pp. 14283-4
2. LABOR-HEW APPROPRIATION BILL, 1963. By a vote of 348 to 35, agreed to the conference report on H. R. 10904, the Departments of Labor and Health, Education, and Welfare appropriation bill for 1963. Earlier, by a vote of 173 to 214, rejected a motion to recommit. pp. 14285-97
3. RECLAMATION. By a vote of 200 to 182, passed with amendment H. R. 575, to authorize the Secretary of Interior to construct, operate, and maintain the upper division of the Baker Federal reclamation project, Ore. pp. 14284-5  
Passed with amendment S. 2008, to authorize the construction, operation, and maintenance of the Spokane Valley project, Wash. p. 14285  
The Interior and Insular Affairs Committee voted to report (but did not actually report) with amendments H. R. 11164, to approve an amendatory repay-



ment contract negotiated with the Quincy Columbia Basin Irrigation District, authorize similar contracts with any of the Columbia Basin Irrigation Districts, and to amend the Columbia Basin Project Act of 1943. P. D667

4. FLOOD CONTROL. The Agriculture Committee approved the following work plans: Little Kentucky, Ky.; Puukapu, Ha.; Scattering Fork, Ill.; Rocky Comfort Creek, Ga.; South Fork Blackwater River, Mo.; South Sumter, Fla.; North Branch Mill Creek, Mich.; Kent Creek, Tex.; and Dick's Creek-Little Muddy Creek, Ohio.  
p. 14283
5. HOUSING LOANS. As reported (see Digest 130-131) H. R. 12628, to provide housing for the elderly in rural and urban areas, includes provisions as follows: Broadens the existing rural housing loan program of the Farmers Home Administration so as to authorize loans to elderly persons (aged 62 or over) for the purchase of existing homes or the construction, improvement, alteration, or repair of dwellings and related facilities in rural areas for their own use, including the purchase of the land necessary as a minimum adequate site for such dwellings, and authorizes an additional \$50 million in loan funds to be used for this purpose. Establishes a program of direct loans by the Secretary of Agriculture to private nonprofit corporations and consumer cooperatives for the provision of rental housing and related facilities for elderly persons and elderly families of low or moderate income in rural areas, and authorizes the appropriation of \$50 million for a new revolving fund to be used for this purpose. Establishes a new program under which the Secretary, until June 30, 1964, would insure loans made to individuals, corporations, and other entities to provide rental housing and related facilities for elderly persons and families in rural areas. Increases from \$500 to \$1,000 the maximum amount of a grant for minor improvements to rural housing of owner-occupants whose incomes are so low that they cannot qualify for loans from any source.
6. BUILDINGS. The Rules Committee reported a resolution for the consideration of H. R. 11880, to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations, including agricultural attache housing. pp. 14297, 14338
7. PERSONNEL. The Subcommittee of the Post Office and Civil Service Committee voted to report to the full committee with amendment H. R. 2079, to amend the Classification Act of 1949 to authorize the establishment of hazardous duty pay in certain cases. p. D668  
Rep. Bow criticized the increase in the number of Federal civilian employees.  
p. 14341
8. VEHICLES. The Interstate and Foreign Commerce Committee reported without amendment H. R. 1341, to require passenger-carrying motor vehicles purchased for use by the Federal Government to meet certain safety standards (H. Rept. 2112).  
p. 14338
9. MINING. The Interior and Insular Affairs Committee voted to report (but did not actually report) with amendment H. R. 10773, to provide relief for residential occupants of unpatented mining claims upon which valuable improvements have been placed. p. D667
10. ALASKA LANDS. The Interior and Insular Affairs Committee voted to report (but did not actually report) with amendment H. R. 11266, to amend the act of March 8, 1922, to extend its provisions to the townsite laws applicable in Alaska.  
p. D667





House

Aug. 27, 1962

17. TOBACCO. The Subcommittee on Tobacco of the Agriculture Committee voted to report to the full committee with amendment H. R. 12855, relating to lease and transfer of tobacco acreage allotments. p. D773
18. HOUSING. By a vote of 367 to 62, passed under suspension of the rules H. R. 12628, to authorize a program of housing for the elderly in rural areas. pp. 16615-23
19. LOANS. The Subcommittee on Conservation and Credit of the Agriculture Committee voted to report to the full committee H. R. 12653, to amend the Consolidated Farmers' Home Administration Act of 1961 in order to increase the limitation on the amount of loans which may be insured under the act. p. D773
20. COMMUNICATIONS. By a vote of 372 to 10, agreed to, under suspension of the rules H. Res. 769, providing that the House concur in the Senate amendments to H. R. 11040, the satellite communications bill. This bill will now be sent to the President. pp. 16604-15
21. FEDERAL AID. Passed under suspension of the rules S. 3327, to make certain federally impacted areas eligible for assistance under the public facility loan program. pp. 16635-6
22. PARKS. By a vote of 60 to 50, failed to pass under suspension of the rules (a two-thirds vote being necessary for passage under suspension proceedings) S. 2429, to revise the boundaries of the Virgin Islands National Park, St. John, V. I. pp. 16637-8
23. ELECTRIFICATION. By a vote of 107 to 20, passed under suspension of the rules S. 1606, to authorize the Federal Power Commission to exempt small hydroelectric projects from certain of the licensing provisions of the Federal Power Act. pp. 16638-40  
Rep. Saylor criticized the proposed tour by the Secretary of Interior of Russian electric power installations, and criticized a speech by the Administrator of REA. pp. 16641-2
24. PERSONNEL. The Post Office and Civil Service Committee reported with amendment H. R. 2079, to amend the Classification Act of 1949 so as to authorize the establishment of hazardous duty pay in certain cases (H. Rept. 2269). p. 16652
25. PUBLIC WORKS. Rep. Slack criticized the proposed Public Works Acceleration Act, saying it "appears to have become part of a foolish and dangerous game of Russian roulette which some of my colleagues like to play with our economy." pp. 16644-5
26. NEWSPRINT. The Interstate and Foreign Commerce Committee issued a report on world newsprint supply-demand (H. Rept. 2273). p. 16652

ITEMS IN APPENDIX

27. FARM PROGRAM. Extension of remarks of Sen. Randolph discussing the growth and development of agriculture, advocating more research expenditures for agriculture and inserting an article on this subject. p. A6397
28. OPINION POLLS. Extension of remarks of Reps. Thompson and Smith inserting the results of questionnaires. pp. A6401, A6401-2
29. FOOD FOR PEACE. Extension of remarks of Rep. Curtis, Mo., favoring the Findley amendment which allows funds generated by the sale of surplus commodities to be sold to Americans planning to visit the countries who participate in the food-



for-peace program, and inserting an article. p. A6402

30. INFORMATION. Extension of remarks of Rep. Goodling stating that the Labor Dept. is trying to "determine why bureaucrats cannot say what they mean in plain, simple language all can understand," and inserting an article which states that the Estes case has brought out the fact that "county committees...frequently don't read directives sent out by the Department of Agriculture. The reason? They're so frequently unreadable." p. A6403
31. PERSONNEL. Extension of remarks of Rep. Ford criticizing the increase in number of employees in this Department and inserting an article, "Civil Service Bumper Crop." p. A6404
32. PUBLIC WORKS. Extension of remarks of Rep. Rains urging passage of public works legislation. pp. A6410-1
33. LUMBER. Extension of remarks of Rep. Green inserting an article, "Oregon's Lumber Crisis." pp. A6425-7

BILLS INTRODUCED

34. PEACE CORPS. H. R. 12981, by Rep. Halpern, to establish a Domestic Peace Corps; to Education and Labor Committee.
35. HOLIDAY. H. J. Res. 760, by Rep. Arends, making the 17th Day of September in each year a legal holiday to be known as "Constitution Day"; to Judiciary Committee.
36. FAO. S. 3679, by Sen. Fulbright, authorizing an appropriation to enable the United States to extend an invitation to the Food and Agriculture Organization of the United Nations to hold a World Food Congress in the United States in 1963; to Foreign Relations Committee. Remarks of author pp. 16656-7

BILLS APPROVED BY THE PRESIDENT

37. PURCHASING. H. R. 8100, allowing GSA to charge to the consuming agencies the transportation costs of items of supply sent them by request. Approved August 24, 1962 (Public Law 87-600).
38. TARIFFS. H. R. 10928, transfers casein or lactarene to the free list of the Tariff Act of 1930. Approved August 24, 1962 (Public Law 87-606).

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COMMITTEE HEARINGS AUG. 28:

Farm policy recommendations of CED, H. Agriculture (Secretary Freeman to testify).  
Estes investigation, S. Gov't Operations.  
Wilderness preservation bill, H. Interior.  
Road authorization bill, S. Public Works.(exec).



gency in adopting this legislation arises from the need to press our advantage. We cannot afford the luxury of inaction which might permit hostile powers to overtake the lead we now hold in space communications.

Mr. Speaker, the Congress released the full force and power of the Government into space research 4 years ago in the National Aeronautics and Space Act of 1958, in which we declared that—

It is the policy of the United States that activities in space should be devoted to peaceful purposes for the benefit of all mankind.

We are beginning now to see the results and the wisdom of that action. Four of our astronauts have been to space and returned, two have orbited the earth. A Tiros weather satellite, as I speak today, is maintaining constant surveillance for hurricanes. Countless lives have been saved, and millions of dollars in property preserved by that application of space science.

H.R. 11040 provides a model for cooperation between the Federal Government and private enterprise for the benefit of every American citizen. Private industry already has demonstrated its capacity to refine and build on the existing body of research and knowledge in the space field. This bill continues the practice, aiming at new horizons of achievement.

Today we have the opportunity to open a whole new area of applied space science. We have the opportunity to enhance American prestige. We have the opportunity to create greater world harmony through understanding. We have the opportunity and, with it, we have the responsibility. We must meet and accept both.

The SPEAKER. The question is on the motion of the gentleman from Arkansas, that the House suspend the rules and pass the bill House resolution 769.

Mr. SPRINGER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 372, nays 10, not voting 53, as follows:

#### [Roll No. 203]

#### YEAS—372

|                |              |                |
|----------------|--------------|----------------|
| Abbott         | Berry        | Church         |
| Abernethy      | Betts        | Clancy         |
| Addabbo        | Boggs        | Clark          |
| Albert         | Boland       | Cohelan        |
| Alexander      | Bolton       | Colmer         |
| Alford         | Bonner       | Conte          |
| Alger          | Bow          | Cool           |
| Anderson, Ill. | Brademas     | Coolley        |
| Andrews        | Bray         | Corbett        |
| Anfuso         | Breeding     | Corman         |
| Ashbrook       | Brewster     | Curtin         |
| Ashley         | Bromwell     | Curtis, Mo.    |
| Ashmore        | Brooks, Tex. | Daddario       |
| Aspinall       | Broomfield   | Dague          |
| Auchincloss    | Brown        | Daniels        |
| Avery          | Broyhill     | Davis, John W. |
| Ayres          | Bruce        | Davis, Tenn.   |
| Bailey         | Buckley      | Delaney        |
| Baker          | Burke, Ky.   | Dent           |
| Baldwin        | Burke, Mass. | Denton         |
| Barrett        | Burleson     | Derounian      |
| Barry          | Byrne, Pa.   | Derwinski      |
| Bass, Tenn.    | Byrnes, Wis. | Devine         |
| Bates          | Cahill       | Diggs          |
| Battin         | Carey        | Dingell        |
| Becker         | Casey        | Dole           |
| Beckworth      | Cederberg    | Dorn           |
| Beerman        | Celler       | Dowdy          |
| Belcher        | Chamberlain  | Downing        |
| Bell           | Chelf        | Doyle          |
| Bennett, Fla.  | Chenoweth    | Dulski         |
| Bennett, Mich. | Chiperfield  | Durno          |

|                 |                   |                  |
|-----------------|-------------------|------------------|
| Dwyer           | Knox              | Rhodes, Pa.      |
| Edmondson       | Kornegay          | Riehlman         |
| Elliott         | Kunkel            | Riley            |
| Everett         | Kyl               | Rivers, Alaska   |
| Fallon          | Laird             | Rivers, S.C.     |
| Farbstein       | Landrums          | Roberts, Ala.    |
| Fascell         | Lane              | Roberts, Tex.    |
| Feighan         | Langen            | Robison          |
| Fenton          | Lankford          | Rodino           |
| Finnegan        | Latta             | Rogers, Colo.    |
| Fino            | Lennon            | Rogers, Fla.     |
| Fisher          | Lesinski          | Rogers, Tex.     |
| Flood           | Libonati          | Rooney           |
| Flynt           | Lindsay           | Rostenkowski     |
| Fogarty         | Lipscomb          | Roudebush        |
| Ford            | Loser             | Roush            |
| Forrester       | McCulloch         | Rousselot        |
| Fountain        | McDonough         | Rutherford       |
| Frelinghuysen   | McFall            | Ryan, Mich.      |
| Friedel         | McIntire          | St. George       |
| Fulton          | McSweeney         | St. Germain      |
| Gallagher       | MacGregor         | Santangelo       |
| Garmatz         | Mack              | Saylor           |
| Gary            | Madden            | Schadeberg       |
| Gathings        | Magnuson          | Schenck          |
| Gavin           | Mahon             | Schneebeli       |
| Gialmo          | Mailliard         | Schweiker        |
| Gilbert         | Marshall          | Schwengel        |
| Glenn           | Martin, Mass.     | Scott            |
| Goodell         | Martin, Nebr.     | Scranton         |
| Goodling        | Mathias           | Selden           |
| Grant           | Matthews          | Shelley          |
| Gray            | May               | Shipley          |
| Green, Pa.      | Meador            | Short            |
| Griffin         | Michel            | Shriver          |
| Griffiths       | Miller, Clem      | Sibal            |
| Gross           | Miller, George P. | Sikes            |
| Gubser          | Miller, N.Y.      | Siler            |
| Hagan, Ga.      | Milliken          | Slack            |
| Hagen, Calif.   | Mills             | Smith, Calif.    |
| Hailey          | Minshall          | Smith, Iowa      |
| Halleck         | Moeller           | Smith, Va.       |
| Halpern         | Monagan           | Spence           |
| Hansen          | Montoya           | Springer         |
| Harding         | Moore             | Stafford         |
| Hardy           | Moorehead, Ohio   | Staggers         |
| Harris          | Moorhead, Pa.     | Steed            |
| Harrison, Va.   | Morgan            | Stephens         |
| Harrison, Wyo.  | Morse             | Stratton         |
| Harsha          | Mosher            | Stubblefield     |
| Harvey, Ind.    | Moss              | Sullivan         |
| Harvey, Mich.   | Moulder           | Taber            |
| Hays            | Multer            | Taylor           |
| Healey          | Murphy            | Teague, Calif.   |
| Hechler         | Murray            | Teague, Tex.     |
| Hemphill        | Natcher           | Thomas           |
| Henderson       | Nedzi             | Thompson, N.J.   |
| Herlong         | Neisen            | Thompson, Tex.   |
| Hiestand        | Nix               | Thomson, Wis.    |
| Hoeven          | Norblad           | Thornberry       |
| Hoffman, Ill.   | Norrell           | Toll             |
| Hollifield      | Nygaard           | Tollefson        |
| Holland         | O'Brien, N.Y.     | Trimble          |
| Horan           | O'Hara, Ill.      | Tuck             |
| Hosmer          | O'Hara, Mich.     | Tupper           |
| Huddleston      | O'Konski          | Udall, Morris K. |
| Hull            | Olsen             | Vanik            |
| Ichord, Mo.     | O'Neill           | Van Pelt         |
| Inouye          | Osmers            | Van Zandt        |
| Jarman          | Ostertag          | Vinson           |
| Jennings        | Passman           | Waggoner         |
| Jensen          | Patman            | Wallhauser       |
| Joelson         | Pelly             | Walter           |
| Johansen        | Perkins           | Watts            |
| Johnson, Calif. | Pfost             | Weaver           |
| Johnson, Md.    | Philbin           | Weiss            |
| Jonas           | Pike              | Westland         |
| Jones, Ala.     | Pillion           | Whalley          |
| Jones, Mo.      | Pirnie            | Wharton          |
| Judd            | Poff              | Whitener         |
| Karsten         | Price             | Whitten          |
| Karth           | Pucinski          | Wickersham       |
| Kearns          | Purcell           | Widnall          |
| Kee             | Quie              | Williams         |
| Keith           | Rains             | Willis           |
| Kelly           | Randall           | Winstead         |
| Keogh           | Ray               | Wright           |
| Kilgore         | Reece             | Yates            |
| King, Calif.    | Reifel            | Young            |
| King, N.Y.      | Reuss             | Younger          |
| King, Utah      | Rhodes, Ariz.     | Zablocki         |
| Kirwan          |                   | Zelenko          |
| Kluczynski      |                   |                  |

#### NAYS—10

|               |            |          |
|---------------|------------|----------|
| Gonzalez      | Poage      | Sheppard |
| Green, Oreg.  | Roosevelt  | Ullman   |
| Johnson, Wis. | Rosenthal  |          |
| Kastenmeier   | Ryan, N.Y. |          |

#### NOT VOTING—53

|          |            |         |
|----------|------------|---------|
| Adair    | Baring     | Bolling |
| Andersen | Bass, N.H. | Boykin  |
| Minn.    | Blatnik    | Cannon  |
| Arends   | Blitch     | Coad    |

|                 |                |                |
|-----------------|----------------|----------------|
| Collier         | Granahan       | O'Brien, Ill.  |
| Cramer          | Hall           | Peterson       |
| Cunningham      | Hébert         | Plicher        |
| Curtis, Mass.   | Hoffman, Mich. | Powell         |
| Davis, James C. | Kilburn        | Saund          |
| Dawson          | Kitchin        | Scherer        |
| Dominick        | Kowalski       | Seely-Brown    |
| Donohue         | McDowell       | Sisk           |
| Dooley          | McMillan       | Smith, Miss.   |
| Ellsworth       | McVey          | Thompson, La.  |
| Evins           | Macdonald      | Utt            |
| Findley         | Mason          | Wilson, Calif. |
| Frazier         | Morrow         | Wilson, Ind.   |
| Garland         | Morris         |                |
|                 | Morrison       |                |

So (two-thirds having voted in favor thereof) the rules were suspended and the resolution was passed.

The Clerk announced the following pairs:

|                                                      |
|------------------------------------------------------|
| Mr. Powell with Mr. Adair.                           |
| Mr. Frazier with Mr. Kilburn.                        |
| Mr. James C. Davis with Mr. Cramer.                  |
| Mr. Morrison with Mr. Arends.                        |
| Mr. Kitchin with Mr. Collier.                        |
| Mr. O'Brien of Illinois with Mr. Ellsworth.          |
| Mr. Pilcher with Mr. Wilson of California.           |
| Mr. Evins with Mr. Hall.                             |
| Mr. Hébert with Mr. Andersen of Minnesota.           |
| Mr. Saund with Mr. Cunningham.                       |
| Mr. Morris of New Mexico with Mr. Wilson of Indiana. |
| Mr. Bolling of Missouri with Mr. Findley.            |
| Mr. Sisk with Mr. Utt.                               |
| Mr. Peterson with Mr. Dooley.                        |
| Mr. Baring with Mr. Seely-Brown.                     |
| Mr. Thompson of Louisiana with Mr. Merrow.           |
| Mr. McMillan with Mr. Bass of New Hampshire.         |
| Mr. Blatnik with Mr. McVey.                          |
| Mr. Kowalski with Mr. Curtis of Massachusetts.       |
| Mr. Cannon with Mr. Mason.                           |
| Mr. McDowell with Mr. Scherer.                       |
| Mr. Donohue with Mr. Dominick.                       |
| Mrs. Granahan with Mr. Garland.                      |
| Mr. Macdonald with Mr. Hoffman of Michigan.          |

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

#### FOOD AND AGRICULTURE ACT OF 1962

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 12391) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes," with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. AVERY. Mr. Speaker, I object.

#### SENIOR CITIZENS HOUSING ACT OF 1962

Mr. RAINS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R.



12628) to provide additional funds under section 202(a) (4) of the Housing Act of 1959, and to amend title V of the Housing Act of 1949, in order to provide low- and moderate-cost housing, both urban and rural, for the elderly.

The Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Senior Citizens Housing Act of 1962".*

SEC. 2. The Congress finds that there is a large and growing need for suitable housing for older people both in urban and rural areas. Our older citizens face special problems in meeting their housing needs because of the prevalence of modest and limited incomes among the elderly, their difficulty in obtaining liberal long-term home mortgage credit, and their need for housing planned and designed to include features necessary to the safety and convenience of the occupants in a suitable neighborhood environment. The Congress further finds that the present programs for housing the elderly under the Housing and Home Finance Agency have proven the value of Federal credit assistance in this field and at the same time demonstrated the urgent need for an expanded and more comprehensive effort to meet our responsibilities to our senior citizens.

SEC. 3. (a) Section 202(a) (4) of the Housing Act of 1959 is amended by striking out "\$125,000,000" and inserting in lieu thereof "\$225,000,000".

(b) Effective with respect to applications for loans under section 202 of the Housing Act of 1959 made after the date of the enactment of this Act—

(1) section 202(d) (1) of such Act is amended by striking out "(A)", and by striking out ", and (B)" and all that follows and inserting in lieu thereof a period;

(2) section 202(d) (7) of such Act is amended by striking out all that follows "new structures" and inserting in lieu thereof a period; and

(3) section 202(d) (8) of such Act is amended by striking out "(A)", and by striking out ", and (B)" and all that follows and inserting in lieu thereof a period.

SEC. 4. (a) (1) Section 501 of the Housing Act of 1949 is amended—

(A) by striking out the period at the end of subsection (a) and inserting in lieu thereof the following: ", and (3) to elderly persons who are or will be the owners of land in rural areas for the construction, improvement, alteration, or repair of dwellings and related facilities, the purchase of previously occupied dwellings and related facilities and the purchase of land constituting a minimum adequate site, in order to provide them with adequate dwellings and related facilities for their own use."; and

(B) by inserting at the end of subsection (b) the following new paragraph:

"(3) For the purposes of this title, the term 'elderly persons' means persons who are 62 years of age or over."; and

(C) by inserting immediately before the semicolon at the end of clause (1) of subsection (c) the following: ", or that he is an elderly person in a rural area without an adequate dwelling or related facilities for his own use".

(2) Section 502(a) of such Act is amended by adding at the end thereof the following new sentence: "In cases of applicants who are elderly persons, the Secretary may accept the personal liability of any person with adequate repayment ability who will cosign the applicant's note to compensate for any deficiency in the applicants repayment ability."

(b) Title V of the Housing Act of 1949 is amended by adding at the end thereof the following new section:

**"DIRECT AND INSURED LOANS TO PROVIDE HOUSING AND RELATED FACILITIES FOR ELDERLY PERSONS AND FAMILIES IN RURAL AREAS"**

"SEC. 515. (a) The Secretary is authorized to make loans to private nonprofit corporations and consumer cooperatives to provide rental housing and related facilities for elderly persons and elderly families of low or moderate income in rural areas, in accordance with terms and conditions substantially identical with those specified in section 502; except that—

"(1) no such loan shall exceed the development cost or the value of the security, whichever is less;

"(2) such loans shall bear interest at rates determined by the Secretary, not to exceed the maximum rate provided in section 202 (a) (3) of the Housing Act of 1959; and

"(3) such a loan may be made for a period of up to fifty years from the making of the loan.

There is authorized to be appropriated not to exceed \$50,000,000, which shall constitute a revolving fund to be used by the Secretary in carrying out this subsection.

"(b) The Secretary is authorized to insure and make commitments to insure loans made to any individual, corporation, association, trust, or partnership to provide rental housing and related facilities for elderly persons and elderly families in rural areas, in accordance with terms and conditions substantially identical with those specified in section 502; except that—

"(1) no such loan shall exceed \$100,000 or the development cost or the value of the security, whichever is least;

"(2) such loans shall bear interest at rates determined by the Secretary, not to exceed the maximum rate provided in section 203 (b) (5) of the National Housing Act;

"(3) provide for complete amortization by periodic payments within such term as the Secretary may prescribe;

"(4) for insuring such loans, the Secretary shall utilize the Agricultural Credit Insurance Fund subject to all the provisions of section 309 and the second and third sentences of section 308 of the Consolidated Farmers Home Administration Act of 1961, including the authority in section 309(f) (1) of that Act to utilize the insurance fund to make, sell, and insure loans which could be insured under this subsection; but the aggregate of the principal amounts of such loans made by the Secretary and not disposed of shall not exceed \$10,000,000 outstanding at any one time; and the Secretary may take liens running to the United States though the notes may be held by other lenders; and

"(5) no loan shall be insured under this subsection after June 30, 1964.

"(c) No loan shall be made or insured under subsection (a) or (b) unless the Secretary finds that the construction involved will be undertaken in an economical manner and will not be of elaborate or extravagant design or materials.

"(d) As used in this section—

"(1) the term 'housing' means new or existing housing suitable for dwelling use by elderly persons or elderly families;

"(2) the term 'related facilities' includes cafeterias or dining halls, community rooms or buildings, appropriate recreation facilities, and other essential service facilities;

"(3) the term 'elderly persons' means persons who are 62 years of age or over; and the term 'elderly families' means families the head of which (or his spouse) is 62 years of age or over; and

"(4) the term 'development cost' means the costs of constructing, purchasing, improving, altering, or repairing new or existing housing and related facilities and purchasing and improving the necessary land, including necessary and appropriate fees and charges approved by the Secretary.

"(e) Amounts made available pursuant to section 513 of this Act shall be available for administrative expenses incurred under this section."

(c) (1) Section 511 of the Housing Act of 1949 is amended—

(A) by striking out "section 504(b)" and inserting in lieu thereof "section 504(b) or 515(a)"; and

(B) by striking out "\$650,000,000" and inserting in lieu thereof "\$700,000,000, of which \$50,000,000 shall be available exclusively for assistance to elderly persons as provided in clause (3) of section 501(a)".

(2) Section 506(a) of such Act is amended by striking out "section 514" each place it appears and inserting in lieu thereof "sections 514 and 515".

(3) Section 504(a) of such Act is amended by striking out "(1) in the form of a loan, or combined loan and grant, in excess of \$1,000, or (2) in the form of a grant (whether or not combined with a loan) in excess of \$500" and inserting in lieu thereof "in the form of a loan, grant, or combined loan and grant in excess of \$1,000".

(4) Paragraph (12) of section 5200 of the Revised Statutes (12 U.S.C. 84) is amended by inserting "or title V of the Housing Act of 1949," immediately before "shall be subject under this section".

The SPEAKER. Is a second demanded?

Mr. McDONOUGH. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. RAINS. Mr. Speaker, I yield myself 8 minutes.

Mr. Speaker, the Senior Citizens Housing Act of 1962—H.R. 12628—is designed to help meet one of the most urgent needs in the field of housing, that of providing suitable homes for our elderly citizens at rents and prices within their means. The Congress can take great pride in its record of approving measures to meet this problem. The most important forward step so far is the program of low-interest direct loans, authorized by the Housing Act of 1959 for which additional funds were approved last year. The outstanding success of this program and the widespread support which it has is clear evidence of the growing recognition of the housing needs of the elderly. It shows that we are on the right track in our efforts to provide this housing and in the years to come I am confident that we will witness substantial further progress in this field.

There are several factors underlying the need for special provisions for housing for our senior citizens and increased efforts to make assistance available. First, the number of older people in our population is increasing rapidly—nearly twice as fast as overall population. In the past decade the total number of people in this country rose 19 percent while the number aged 65 and over jumped 35 percent. For many families the problem of age is compounded because today 1 out of 3 persons reaching the age of 60 has one or more close relatives over 80 to be concerned about. Looking to the future, the number of our older citizens will continue to rise more rapidly than the population as a whole and we must not delay in providing the programs and assistance they need and deserve.



Health problems and living patterns are the second reason for providing programs specially tailored to the needs of the aged. The miracles of modern medicine have extended life expectancy but we must recognize the fact that age imposes certain physical limitations even on the healthy and also makes the dangers of illness and accident a more serious matter. Because of this, homes which just a few years ago were entirely satisfactory may no longer be entirely suited to the elderly. Design features acceptable to younger families can become extremely bothersome or even dangerous in the later years. Some of the chores in maintaining a home may now seriously tax the energy and ability of an older person. There have been a number of careful studies of the special design features such as single-floor plans, ramps instead of steps, wide doorways, extra lighting, and special safety measures in the bathroom and kitchen. Actually, many of these features are desirable even for the younger families, but the fact is that most houses built for the general market do not include them and private lenders tend to shy away from such housing on the grounds that it is "special purpose" housing which limits its market. The fact of the matter is that there is a tremendous market for such housing and I am sure that as experience shows the success of these programs, private lenders will be encouraged to put more of their funds to work in meeting this problem. An important consideration in planning housing for the elderly is the striking difference in their living patterns compared to younger people. A large majority are retired or unable to work. Because of this, good housing properly designed assumes a very special importance since it becomes in most cases a focal point of their lives.

Sharply reduced incomes are a third and pressing reason why we need special legislation to help the elderly. While many families are able to prepare for their later years through savings and investment in home ownership and many are able to plan an adequate retirement income, the plain truth is that most senior citizens are forced to live on very modest incomes. Often the financial planning of earlier years will no longer provide for a comfortable retirement and in some cases our older citizens were unable to maintain an income level high enough to provide fully for their later years. Typically, a family after retirement often suffers an income drop of about one-half.

There has been a growing recognition of the fact that our housing problems in rural areas are every bit as serious as they are in the cities. In some ways, these problems are magnified in farm areas and small towns by the relatively lower income levels and shortage of private mortgage financing. This is particularly true for the 7 million rural people who are 60 or older. There is an obvious need to amend and supplement our housing programs to reach this important segment of our population and this bill is designed to do just that.

Mr. Speaker, the legislation before us has been carefully considered by our Subcommittee on Housing which held 3 days of intensive hearings and received testimony in support of the bill from administration witnesses representing both the Housing and Home Finance Agency and the Farmers Home Administration as well as representatives of farm and cooperative organizations, labor unions, groups representing senior citizens and other organizations interested in providing better housing for the elderly. All of the witnesses strongly endorsed the objectives of both bills. The bill now before the House was reported out of the Subcommittee on Housing and the full Committee on Banking and Currency without a single vote in opposition.

Mr. Speaker, the bill before us, H.R. 12628—the Senior Citizens Housing Act of 1962—has five major provisions. These provisions build on the successful programs now in operation for the elderly, and I will not go into great detail. They are fully discussed in the report of our committee—House Report No. 2052.

The first provision would authorize the appropriation of additional funds for the existing program of direct loans for housing for the elderly in urban areas. This is the program created in the Housing Act of 1959, under which the HHFA can make loans for rental and cooperative housing to private nonprofit and cooperative sponsors. The interest rate is based on a formula reflecting the cost of money to the Treasury plus the cost of administration, which currently produces a rate of 3½ percent and the loans can have maturities up to 50 years. These terms make it possible to provide good housing for the elderly at rents as much as \$15 or \$20 a month below what would have to be charged under regular FHA or conventional financing. At present \$125 million is authorized for these loans, of which \$80 million has already been appropriated. The balance of \$45 million plus an additional \$50 million has been requested by the administration for appropriation this year. This is the amount they expect to use during the current year. H.R. 12628 would authorize \$100 million for appropriation. This would be enough to carry the program until about October of next year. In my judgment this program is one of the most successful that the Congress has ever authorized in the field of housing and it has found widespread acceptance. Already the Housing Agency has received applications for more than \$160 million in these loans. This is more than the amount authorized in existing loan funds and thus this additional legislation is urgently needed.

The other major provisions of the bill are designed to extend to our older citizens in rural areas benefits similar to those which now exist under the Housing and Home Finance Agency for people in urban areas.

The Housing Act of 1949 established a program of direct Federal loans to build or improve housing in rural areas where private financing is not available on reasonable terms. At present an applicant for one of these loans must already own

the land and the loans cannot be used to purchase existing homes. These limitations present special problems to older people in rural areas, many of whom wish to move closer to town but are unable to buy the building site entirely out of their own resources. They need to be able to buy the land along with the home just as is now done under some of our homeownership programs. In addition, existing housing often represents the best investment for older people because it can be purchased at a lower price without delay and in the area where they want to live. This bill would remove these two limitations in the case of older families. At the same time it would permit the Farmers Home Administration to accept cosigners if the elderly applicant does not have sufficient income to safely assure repayment of the loan. These amendments would make this program extremely helpful to those older people who want to have a home of their own.

Another provision of the bill for rural areas would establish a program of direct loans for rental and cooperative housing sponsored by nonprofit and cooperative organizations. This program, which would be administered by the Farmers Home Administration, would be very similar to the HHFA program created in 1959 which has proved so successful in urban areas. The interest rate on these loans would be the same as that established for the urban program, currently 3½ percent, and the loan maturity could extend for 50 years. I believe that this provision will fill an important gap in our housing legislation by providing good housing at reasonable rents for rural families who are no longer willing or able to take on all the responsibilities of maintaining homes of their own.

This bill would also set up a program of mortgage insurance for rental housing for the elderly in rural areas, generally similar to that now administered by the Federal Housing Administration, with adjustments for the special mortgage financing problems of rural areas. Under this program, the FHA has established a maximum maturity of 40 years and an interest rate of 5¼ percent. An insurance premium would be collected to build up reserves and enable the program to pay its own way. This provision will enable private lenders to finance rental housing for rural elderly families of somewhat higher income.

Finally, the bill will liberalize the program of grants to improve rural housing which was established in 1949 by raising the grant ceiling from \$500 to \$1,000. These grants can be made to rural homeowners whose incomes are so low that they cannot qualify for loans to make improvements necessary to the health and safety of the occupants or the community. The present \$500 ceiling was established more than a decade ago when much lower cost levels prevailed and the committee feels that we are justified in raising the maximum. This provision would be particularly beneficial to the elderly for whom health and safety present special problems.



Mr. Speaker, in a word this bill is designed to expand our programs of assistance to meet the urgent housing needs of our elderly, building on the firm foundation of existing programs which have proven so highly successful. In addition, it is designed to give our millions of older citizens in rural areas parity with the aids now available to those who live in the city. I urge all of my colleagues to give their support to this vitally needed legislation.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. RAINS. I yield to the gentleman from Iowa.

Mr. GROSS. I find no departmental reports in the report accompanying this bill. Is there some particular reason for that?

Mr. RAINS. We have all of the departmental reports. We had all of the heads of the agencies involved at our hearings who testified in favor of the bill.

Mr. GROSS. But there is none contained in the report?

Mr. RAINS. They could of course have been included in the report but we printed them instead in the record of our hearings.

Mr. GROSS. The Department of Agriculture appropriation hearings for 1963 show that this fund for rural housing grants and loans will have an estimated unobligated balance of \$277,611,000 at the end of this fiscal year.

Mr. RAINS. I do not understand what the gentleman means. That may be the authorized amount. The Farmers Home Administration is now pleading with the Budget Bureau for money with which to make the loans.

The SPEAKER. The time of the gentleman from Alabama has expired.

Mr. RAINS. Mr. Speaker, I yield myself an additional 3 minutes.

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. RAINS. I yield to the gentleman from Mississippi.

Mr. WHITTEN. May I say to the gentleman from Iowa that the funds to which the gentleman from Iowa has pointed were carried in the original act. It is a continuing fund and the funds are available to the Farmers Home Administration in that amount. However, since the Farmers Home Administration went into the rural housing program, as against requiring that it be strictly farm housing, the demand has been so great that at the present time there has been a freeze order by the Bureau of the Budget on the use of those funds, accounting for all of the pressure that Members have been receiving from applicants and people back home, including the State Farmers Home Offices because at present there is a freeze order on allocating those funds. But they are in existence, and it will take only a release by the Bureau of the Budget to make them available.

Mr. GROSS. If the gentleman will yield further, then you are asking for an additional \$50 million on top of the \$277 million unobligated, or will be unobligated as of the end of this fiscal year?

Mr. RAINS. No; the gentleman is mistaken about that. We are not asking for additional funds in the very same program that the gentleman from Mississippi [Mr. WHITTEN] has discussed. We are asking now for the additional funds in the housing for the elderly program.

I would say this to the gentleman from Iowa: I am greatly concerned—and I am glad the gentleman from Mississippi brought it up—and I have urged the Bureau of the Budget to do something about the release of the funds to the Farmers Home Administration for that particular housing program, because many Members and many people have written to me about it. But that is a different situation from what we are discussing here.

Mr. PELLY. Mr. Speaker, will the gentleman yield?

Mr. RAINS. I shall be glad to yield to the gentleman from Washington.

Mr. PELLY. Is this \$50 million to be in borrowing authority or so-called back-door spending, and a part of it for an appropriation?

Mr. RAINS. All of the new programs authorized are on an appropriation basis. That includes the \$100 million additional for the urban district loan programs and the \$50 million made available to start a similar program for the elderly in rural areas. The other \$50 million in loans for sales housing it is true comes out of Treasury borrowing but this program is not really new but is merely an extension of an existing program to also cover the rural elderly.

Mr. PELLY. I commend the gentleman from Alabama [Mr. RAINS] and I am very happy to learn that.

Mr. McDONOUGH. Mr. Speaker, I yield such time as she may consume to the gentlewoman from New Jersey [Mrs. DWYER].

(Mrs. DWYER asked and was given permission to revise and extend her remarks.)

Mrs. DWYER. Mr. Speaker, I rise in support of H.R. 12628. It is outstanding legislation and is badly needed.

Mr. Speaker, in terms of the funds which this legislation would make available, this bill is a very modest one. As an effective contribution toward meeting one of the most pressing needs of the fastest-growing and lowest-income segment of our population, however the Senior Citizens Housing Act will continue to prove to be as fruitful and worthwhile an investment as our Government can make.

It is extremely significant, I believe, that the Committee on Banking and Currency reported this bill favorably without a single dissenting vote. This fact testifies to the importance with which our committee views the housing needs of the elderly, to the success which this program has enjoyed in its very short life, and to the continuing need for this kind of assistance.

I very strongly supported this program, Mr. Speaker, when it was initiated as a part of the Housing Act of 1959. At that time, it seemed to many of us that the special difficulties which older people

faced in securing adequate housing justified a special program of this kind. Experience showed that existing Federal housing assistance did not meet the needs of retired persons, a substantial proportion of whom occupied old and obsolete housing but had such sharply reduced incomes that they were unable to meet financing requirements of conventional or FHA-insured private housing. On the other hand, incomes of retired persons were just high enough to disqualify them for assistance under the public housing program.

The past 3 years have confirmed the accuracy of this analysis. As of June 30 of this year, all but \$12 million of authorized appropriations under this program had either been loaned or earmarked for loans. Interest in the program has been extensive and more than 14,000 housing units have already been constructed or are presently under construction or are in the active planning stage. A number of housing-for-the-elderly projects have been started in my own area of New Jersey, and I can testify personally to the air of expectancy with which older people have anticipated construction of this housing. Applications for rental units were filed almost as soon as plans were announced and long before construction began. It is obvious that the approximately \$20 a month saving reflected in the rental cost of units constructed under the direct loan program makes all the difference in the world in bringing clean, decent, and functional housing within the financial ability of most older persons.

There are important advantages to this program other than the saving in rental charges. Under the direct loan program, housing must be especially planned and built for use by elderly persons. The design of the housing units must conform to the special requirements of older people regarding safety, comfort, and convenience. Housing must also be located in such a way as to provide for the health, transportation, shopping, church, recreation and other social and community needs of the occupants. In these respects, therefore, the direct loan program has helped to pioneer the design and construction of other, conventionally financed, housing for the elderly and has had a most salutary effect on stimulating the construction of the kind of overall environment most suitable for persons in their older years.

This legislation, Mr. Speaker, meets all the tests of a constructive bill. The need for this program has been found to be a very real one. This need cannot be met in any other way. Early experience under the program proves that it is a practicable and effective way of meeting the need. The cost of the program to the taxpayers is moderate, and the direct loan basis on which the program operates assures eventual repayment of the Federal investment.

In every respect, this is a good bill, and I urge our colleagues to support it.

Mr. McDONOUGH. Mr. Speaker, I yield myself 5 minutes.



(Mr. McDONOUGH asked and was given permission to revise and extend his remarks.)

Mr. McDONOUGH. Mr. Speaker and Members of the House, I doubt that there is anyone who would begrudge the senior citizens of this Nation better housing and more adequate housing, under favorable terms, at a reasonable rent. As a matter of fact, that is the manner in which this bill came out of the committee. Extensive hearings were held by the committee and all of the departments involved in this type housing were heard, reports were filed, and the committee in executive session passed this bill out for consideration on the floor of the House by 18 votes "yea," one "present," and no negative votes.

Mr. Speaker, as the chairman of the Subcommittee on Housing, the gentleman from Alabama [Mr. RAINS] has informed you, this is an extension of an existing program which provides for direct loans for housing of our elderly citizens at 3½ percent interest over a period of 50 years.

Mr. Speaker, in order to show the need I read from the report and recent study by Cornell University which analyzes the quality of housing of a national sample of persons receiving social security benefits in 1960. The results of this research study indicated the following:

1. Forty percent of older person were living in houses built over 50 years ago and an additional 40 percent were living in houses built between 30 and 50 years ago.

2. The aged in poorer health tended to occupy the poorest housing.

3. Approximately 45 percent of all aged households were classified as being in "need of better accommodations" based on the quality of the housing and the living arrangements of individuals who were dependent on their relatives.

There is a great need for this type of housing. It is limited to those people who are in the income bracket where they do not qualify for public housing but who are above the age of 62. That number of people is increasing very rapidly in this country.

In 1960, there were 7 million persons who had reached or passed the age of 60, living in rural areas. Almost 2 million live on the farms and about 5 million in the small rural communities of America.

These figures indicate that there is a demand for housing in the rural areas as well as in the urban areas. This bill provides for the housing for elderly in the rural areas.

Mr. Speaker, there is no apparent opposition to the bill. I endorse the statement previously made by the chairman of the subcommittee and urge the Members of the House to support the passage of this bill as needed legislation.

Mr. RAINS. Mr. Speaker, I yield such time as he may require to the gentleman from Pennsylvania [Mr. BARRETT].

(Mr. BARRETT asked and was given permission to revise and extend his remarks.)

Mr. BARRETT. Mr. Speaker, one of the most heartening developments in the past several years is the growing realization by the Congress of the needs of older people—our senior citizens—and

our moral obligation to help them meet their special problems. These are the men and women who, through a lifetime of honest toil, have made America the wealthiest and most powerful Nation in the world today. Those of us who have a heart are ready and willing to take whatever steps are necessary to pay our tremendous debt to the older generation.

In the field of housing, senior citizens are confronted with a special group of obstacles. Their age makes it difficult for them to obtain mortgage loans. Because the great majority of our older folks have fixed and limited incomes, they are often unable to find the kind of housing they need at a rent or price which they can afford. The handicaps of advanced age also require specially designed and planned housing.

I take special pride in the fact that the Housing Subcommittee on which I am privileged to serve in the Congress has sponsored a number of financing programs to provide better housing for the elderly.

We have liberalized FHA financing to make it easier for older folks to obtain a mortgage on liberal terms.

We have also established a program of FHA insurance for rental housing for senior citizens. Already, we have one of these FHA projects completed in my own Philadelphia—the York House with over 200 units—and I am sure that in the very near future we will see many more.

We have made special provision to make low-rent public housing available for senior citizens. These are people in the very lowest income range who are desperately in need of housing aid. The law provides that low-rent housing units can be specifically designed to meet the needs of the elderly and in last year's housing act, we authorized an additional Federal payment of up to \$120 a year for apartments occupied by the elderly if needed to meet the operating costs of the project. Over 100,000 units nationally, or more than one-fifth of all public housing dwellings, are occupied by older families. Right now over 1,400 low-rent units—1 out of every 8—is occupied by an elderly person or family in Philadelphia. Moreover, we have more than 500 units built or planned which are specially designed for the elderly and undoubtedly the number will increase substantially.

Another program which is proving to be of great value in meeting the housing needs of the elderly is the program of direct loans from the Government at a low rate of interest to nonprofit corporations to build housing for senior citizens of modest income. Under the direct loan program the interest rate is 3½ percent and the loan maturity can extend to 50 years. These terms make it possible to reduce rents to senior citizens by \$15 to \$20 a month as compared with rental projects financed at market interest rates.

Unfortunately, the previous administration dragged its heels in administering the program and at first progress was slow. However, the Kennedy administration fully recognizes the needs of our senior citizens and the value of this pro-

gram. As a result, activity has risen sharply and I am confident that it will make a major contribution toward providing good housing at modest rents for our growing number of older citizens. The bill now before the House—the Senior Citizens Housing Act—would authorize an additional \$100 million for these loans so that this vital program can continue to operate in high gear.

Mr. Speaker, when our Housing Subcommittee held hearings on this important legislation, it had the unanimous support of the witnesses who testified. It well deserves that support and I strongly urge all of my colleagues in the House to join me in supporting it here today.

Mr. RAINS. Mr. Speaker, I yield such time as he may require to the gentleman from Massachusetts [Mr. LANE].

(Mr. LANE asked and was given permission to revise and extend his remarks.)

#### NEW AND BETTER HOUSING FOR SENIOR CITIZENS

Mr. LANE. Mr. Speaker, the U.S. Government has accomplished much in providing public housing for low income groups. And it has made substantial progress in meeting the special housing problems of the aged.

Public housing projects for the aged, however, aimed to help those most in need of safe, pleasant, and healthy accommodations, have income ceilings for eligible occupants that exclude all but those who depend upon social security or other forms of meagre pensions.

Not enough incentives have been provided for the construction of housing for the next group; elderly families whose income is just below \$3,000, or about \$240 per month. A recent Cornell University study reveals that 800,000 units are required for this income group.

Our responsibility is to encourage and help in the construction of suitable housing for older persons whose incomes are too high for public housing, but not sufficient to meet the cost of good housing provided with private financing at conventional interest rates.

Twenty-one million Americans are now 62 years of age and over. By 1980, we will have 30 million in this age group. The over-65 population is increasing by 400,000 each year. A fact which has escaped public notice is that 1 out of 3 persons reaching the age of 60 has a parent or close relative over 80 to consider. Our society must face the increasing challenge of meeting the housing needs of not one, but two generations of senior citizens at the same time.

The average income of the aged is about 50 percent less than those under 65. Housing for senior citizens must take into account their income levels and the relative inflexibility of their income potentials.

About two-thirds of the aged now live in their own homes. They face problems of rising maintenance costs and property taxes. As a result, much of their housing is too large for their needs, too costly for upkeep, and ill adapted to meet the special needs of the aged.

It is appalling to observe that 19 percent of the households occupied by senior



citizens are without private bath, toilet, or hot-running water. Some of these properties are dilapidated and even dangerous. Seventeen to twenty percent of the aged with pathetically small incomes, or because of health, live with their children in generally standard housing. But senior citizens prefer to live independently if they can for the sake of their human dignity.

Because of age, senior citizens find it almost impossible to obtain liberal mortgage financing. Limited by small and fixed incomes, they are unable to afford the type of housing that they require.

The purpose of H.R. 12628 is to authorize the appropriation of an additional \$100 million for the existing program of direct loans to provide housing for the elderly in urban areas, so that rental housing can be provided for them at rents of \$15 to \$20 a month below projects financed either in the usual way or with FHA insurance. A comparable program will benefit those living in rural areas.

Low interest rates on loans that will not mature for up to 50 years are offered as an inducement for private non-profit corporations, consumer cooperatives and certain public bodies or agencies, to construct this type of housing. Eligible properties include rental housing structures and such related facilities as dining halls, community rooms, infirmaries, and other essential service facilities.

By administrative action, the Housing and Home Finance Agency has been following the policy of confining its loans to new construction, although the present law permits loans to rehabilitate, convert, or improve existing structures. The Committee on Banking and Currency wisely decided to change the law, in line with administrative practice, to guarantee brandnew construction that will fully meet the needs of elderly persons.

The housing provided under the direct loan program, designed for the safety, comfort, and convenience of older people, will benefit them in more than material ways.

Special housing for this group is helpful to personal and social relationships. The aged feel more at home with those who share their outlook and their interests.

The Senior Citizens Housing Act of 1962 marks further progress in our continuing efforts to protect the senior citizens of the Nation.

Mr. RAINS. Mr. Speaker, I yield such time as he may require to the gentleman from New Jersey [Mr. JOELSON].

(Mr. JOELSON asked and was given permission to revise and extend his remarks.)

Mr. JOELSON. Mr. Speaker, I am pleased to support the Senior Citizens Housing Act. It provides a comprehensive program of low and moderate cost housing for the elderly.

Twenty-one million Americans are now 62 years of age or over, and it is expected that this figure will rise to 30 million within the next two decades. Since these people generally must live on very limited incomes, it is our obli-

gation to make suitable provision for them.

Mr. RAINS. Mr. Speaker, I yield such time as he may require to the gentleman from New York [Mr. RYAN].

(Mr. RYAN of New York asked and was given permission to revise and extend his remarks.)

Mr. RYAN of New York. Mr. Speaker, I rise in support of this legislation.

Housing for the elderly is a growing problem. As a result of advances in medical care and higher standards of living, more people are living longer. This trend can be expected to continue in the coming decades.

Some 21 million people in the United States are now 62 years of age and over. By 1980, we expect at least 30 million in the over 62 age group. The urgency of positive solutions to the problem of housing for older people can also be illustrated in terms of the growth rate of this segment of our population. The group over 62 years of age rose 35 percent between 1950 and 1960 and those over 85 years of age increased more than 60 percent, while the population as a whole increased only 19 percent. The group 62 years of age and over is currently growing at a net rate of 400,000 persons each year.

Provision for the basic needs of our senior citizens is a problem which soon will affect three generations of Americans. Already one out of three persons reaching the age of 60 has at least one parent or close relative over 80. In just 40 years this ratio is expected to rise to two out of three.

When one realizes that 50 to 60 percent of the persons aged 65 and older have less than \$1,000 total cash income annually, the problem of caring for more than one generation of older people becomes serious indeed. The aged are not a homogenous group in terms of income and monetary assets. Although some have adequate means, most do not. The group as a whole tends to be in the low or moderate income categories with median money incomes 50 percent less than those under 65 years of age.

Housing for the aged should take into account their prevailing income levels and the relative inflexibility of these incomes. Most older people cannot expect any significant increases in their income in future years although the cost of living tends to increase steadily. Recent Bureau of the Census studies indicate that among the 6.2 million families with heads 65 and over, half had family income levels of less than \$2,830 and one-fourth had less than \$1,620. These family incomes supported an average of 2.6 persons per family or a total of approximately 9.3 million aged and about 6.7 million younger persons. Single elderly persons living alone or with non-relatives are even less fortunate. Half of the 3.6 million aged persons in this category had incomes of less than \$1,010, while four-fifths had less than \$2,000.

Even though older persons are more likely than younger persons to have some savings, in general those with the smaller incomes are the least likely to have other monetary assets to fall back on. In addition, most of the savings of the aged

are tied up in their homes or in life insurance rather than in a form readily convertible to cash for emergencies.

With such limited financial means, most older people have been unable to afford decent housing. Mr. Speaker, the proposal before us today will do much to help older people. Until recent years the vast majority of Federal housing laws have primarily helped younger families, those just getting started. Some progress was made in the long ignored and neglected area of senior citizen housing in the 1956 and 1959 Housing Acts, but more is desperately needed if we are going to meet our moral obligation to the older and retired members of our population. The most prosperous Nation in the world should not fail to meet one of their most basic needs—decent and reasonably priced housing in suitable neighborhoods with adequate community facilities. It is time we really tackled the problem of housing for the aged.

H.R. 12628 provides important financial assistance to help fill the urgent housing needs of the increasingly large group of aged and retired families and single persons in the United States. It extends additional Federal aid to low and moderate cost housing, both urban and rural, for the elderly.

The section 202 program of low interest direct loans for rental housing in urban areas authorized by Congress in 1959 has been one of the most successful Federal programs designed to meet the housing needs of limited income elderly people. Many older people have relatively fixed incomes which are too high for low rent public housing but are insufficient for most decent private housing. Moreover, it is particularly difficult for them to obtain liberal mortgage financing.

The low interest rates made available on loans to private nonprofit corporations under the section 202 program makes it possible for these groups to provide rental housing for limited income older persons and families at rents \$17 to \$20 lower than would be feasible with the usual financing charges available in the private market. Thus, these Federal loans make a real difference in rents and the type of housing which elderly people in this income bracket can afford.

However, all of the funds authorized to date have already been appropriated or are included in current budget requests. There is a sizable unmet demand for this assistance by church groups, cooperatives, labor unions, and other private philanthropic organizations which have sponsored corporations to provide economical and appropriately designed rental housing for older people in the lower middle income brackets. H.R. 12628 will help meet this demand by authorizing an additional \$100 million for new construction under the section 202 program.

There are serious housing obstacles also facing the elderly in rural areas where mortgage credit is difficult to obtain. Although title V programs of housing assistance in rural areas have made significant contributions to better hous-



ing in rural areas, additional programs are needed, particularly for the elderly.

H.R. 12628 will fill this gap in several ways. First of all, it establishes a new \$50 million program of direct loans by the Farmers Home Administration similar to the section 202 program under the Housing and Home Finance Administration to permit private nonprofit corporations and consumer cooperatives to build moderate cost rental housing for the elderly in rural areas.

Additional rental housing at private market rates for older persons with larger incomes will be encouraged by a new Farmers Home Administration insurance program similar to the existing Federal Housing Administration program. Also, senior citizens 62 years of age or older will be given three special advantages under the existing Farmers Home Administration housing loan program. They will be allowed to buy existing housing as well as build or improve their homes. The loans may be used to finance the land as well as the dwelling and a cosigner will be permitted for elderly applicants who are deficient in repayment ability.

Lastly, H.R. 12628 will aid older homeowners in rural areas by raising the current ceiling on rural grants to owner-occupants whose incomes are too small to qualify for other types of loans for necessary housing improvements. Increasing the maximum grant from \$500 to \$1,000 will make it easier for more older applicants to make such repairs and improvements at today's higher prices.

Mr. Speaker, the basic objective of all assistance to the elderly should be to foster the maintenance of their independence in their own homes and communities. Today most older people want and can live independently in their own homes. More standard suitable housing for the elderly in a variety of price ranges and types—including homes for sale and rent and high-rise apartments—cooperative and rental—and adequate community facilities are needed to meet this need. Federal assistance to promote the provision of this housing will go far toward making this goal possible. Mr. Speaker, I urge passage of H.R. 12628.

Mr. YATES. Mr. Speaker, will the gentleman from Alabama yield for a question?

Mr. RAINS. I yield for a question.

Mr. YATES. Is there an extension of the direct loan program in this bill for housing for the elderly?

Mr. RAINS. Yes; it is the first section of the bill.

Mr. YATES. And it has worked well under the present law?

Mr. RAINS. Indeed.

Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks on the bill under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. McDONOUGH. Mr. Speaker, I yield such time as he may require to the gentleman from New Jersey [Mr. WIDNALL].

Mr. WIDNALL. Mr. Speaker, I rise in support of this bill. I would like to call the attention of the House to the fact that in July I introduced a bill for \$125 million additional authorization for this program, feeling that it had filled a great need in our country and deserved further attention. At that time I also requested in the bill that the new program be confined to new construction. Within the committee that amendment was agreed on so that the program as now presented to the House is amended so that in the future it will be confined to new construction. This means you can build in accordance with the real needs of elderly persons where special housing is required. Also it will mean that you will not have the problem of displacement of citizens, which has taken place in the past.

Mr. Speaker, I urge the adoption of the bill. I feel it is in the best interests of our elderly citizens.

Mr. McDONOUGH. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. HALPERN].

Mr. HALPERN. Mr. Speaker, I rise in support of this legislation.

It is a long step forward in providing housing for the elderly—a most vital need that affects the 21 million people that are now 62 and over. I have long advocated such a program and have been repeatedly urging the Housing Administration to spur cooperative programs in this field between the Federal Government and private enterprise. This bill meets that objective and I support it wholeheartedly.

As a member of the Banking and Currency Committee I wish to commend the distinguished chairman of the Housing Subcommittee and its membership on this bill. I am well aware of the hard work and dedicated efforts by the committee and able staff which resulted in this workable and meaningful program.

The program will provide housing for the elderly in urban areas as well as rural areas and will set up a new program of direct loans to private corporations and consumer co-ops for moderate cost, rental housing for the elderly. Additional insurance is provided for rental housing in rural areas.

Mr. Speaker, we in New York are particularly pleased that under the direct loan program, long-term low-interest rate loans will now be continued on a more adequate scale. Last year I was one of those who fought for the amendment—which was adopted—to make consumer cooperatives eligible for these benefits for elderly housing. This bill will provide additional incentives for both cooperatives, public bodies, and private corporations to build projects that are especially planned for use by elderly families and persons.

Mr. Speaker, again I urge an overwhelming vote for passage of this most desirable bill. We can do no less for the senior citizens of America.

(Mr. HALPERN asked and was given permission to revise and extend his remarks.)

Mr. RAINS. Mr. Speaker, I yield such time as he may require to the gentleman from California [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Speaker, I thank the distinguished gentleman from Alabama and congratulate him on a very wonderful, wonderful bill.

Mr. Speaker, the great gentleman from Alabama has with his usual skill brought us a bill of benefit to those who need it urgently. It is a pleasure to congratulate him and his committee members. Too often we pass over the needs of our senior citizens who have little or no lobby here in Washington. This is a bill that truly adds to the achievements of the 87th Congress.

(Mr. ROOSEVELT asked and was given permission to revise and extend his remarks.)

Mr. RAINS. Mr. Speaker, I yield such time as he may require to the gentleman from Illinois [Mr. YATES].

(Mr. YATES asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. YATES. Mr. Speaker, I am very happy to support this bill which would expand and better the Federal programs of housing for the elderly, not only in urban areas but in rural areas, as well.

Every study that has been made of the problems of the aging has indicated that their needs are many and that one of the most important is the need for housing at prices they can afford to pay. Those age 65 and over are part of the fastest growing segment of our population; and unfortunately, most of them do not have funds with which to provide adequate, decent housing for themselves. The report on the bill shows the extent of the enormous need for new housing and housing rehabilitation for the elderly. In large urban areas, too many of them are compelled to live in slums. In rural areas, their houses are old and are in great need of repair.

This bill gives an opportunity to them to live their later years in good, fairly modern surroundings. It is an excellent bill. I favor the passage most strongly.

Mr. VANIK. Mr. Speaker, as a member of the Banking and Currency Committee, I urge the enactment of the Senior Citizens Housing Act.

In my community and throughout the Nation, we are witnessing the first benefits of this splendid program. It would be tragic if this program were to "bog down" because of lack of funds at the very moment it was beginning to produce results.

In my community, the great majority of our senior citizens live in the central city—a surprising number in their own modest homes. Grave problems occur which upset these "gold age" households, such as the death of one family member, the destruction of the homestead by highway improvements, and by the reshaping of urban life. Senior citizens in most cases fail to qualify for home purchase credit because of reduced income and the likelihood of costly hospital and medical expense overhead. Low-cost housing designed to meet these needs is absolutely essential in the large population centers.



This legislation provides a minimum support to a very worthwhile cause.

Mr. WICKERSHAM. Mr. Speaker, this bill is important. I urge its passage.

One of the first loans approved in this country was one at Cordell, Okla.

It was dedicated a few months ago. It has proven to be a safe venture.

With the passage of this bill, it will be possible for favorable action to be given on several applications for housing for senior citizens in Oklahoma, including Leedey and Thomas, Okla.

Mr. FOGARTY. Mr. Speaker, I wish to urge that the House act favorably on H.R. 12628, the Senior Citizens Housing Act of 1962.

This bill is one of the most constructive legislative recommendations to come before this Congress and comes very close to fulfilling one of the major recommendations of the White House Conference on Aging held in January 1961.

As you know, I have been quite critical of the failure to implement the recommendations made by the 2,500 delegates to that Conference. In the final report of that forum a basic principle was pronounced that—

All aging people—regardless of race, creed or national origin—should be adequately housed in a suitable neighborhood of their choice, and supplied with community facilities and services at rents they can afford.

Further, the report stated that "Government agencies will broaden and expand present laws, or where pertinent, interpret existing regulations so as to expedite the building and financing of needed low-rent housing for the aged."

The Senior Citizens Housing Act of 1962 with its authorization of an additional \$100 million for direct loans to provide housing for the elderly, will make it possible for the elderly to obtain rental housing at rents \$15 to \$20 a month below conventionally financed projects or those with FHA insurance.

The bill also recognizes and provides for comparable housing for the elderly living in rural areas.

The greatest weakness in this bill is the amount of money authorized to meet the tremendous need. Many of the individuals and organizations testifying before the Committee on Banking and Currency recommended appropriations of \$250 to \$300 million to provide a realistic housing program to meet the basic needs of our senior citizens.

While it has been said that the \$100 million authorized under H.R. 12628 would be sufficient to carry the program through this fiscal year, I believe that the full potential of the legislation cannot be realized under this limitation. I am equally sure that we will find ourselves early in the next session of Congress repeating our documentation in support of an additional authorization to meet the needs that we know will exist.

I do not think we should delay until next year to appraise the situation. We have sufficient information to insure the effective use of an increased appropriation and to postpone such action would not only be a disservice to the elderly but a misuse of the time of Congress to repeat all of the effort that has gone into conferences, hearings, and the final

compromise appropriation of \$100 million. We cannot afford the delay or the waste of time.

It has been made abundantly clear in every successful conference or meeting on aging that housing extends far beyond the provisions of shelter. Adequate housing is essential to the happiness, health, and welfare of the aging citizen, and hence to the welfare and security of the Nation as a whole.

The enactment of H.R. 12628 with a sufficient appropriation will provide living accommodations for the elderly in the urban and the rural areas that will enrich their way of life and offer a future to many who now have none.

Mr. FINNEGAN. Mr. Speaker, I rise in support of the bill before us, the Senior Citizens Housing Act of 1962, which would provide an additional \$100 million authorization for direct loans to provide moderate cost housing for the elderly. As a member of the Housing Subcommittee it has been a pleasure to help draft this much-needed legislation.

The direct loan program for housing for the elderly meets a need that can be met no other way. It provides suitable housing for the elderly persons whose incomes are too high to qualify for low-rent housing but not high enough to afford decent housing in the conventional housing market.

In my district which now covers the North Lake Shore of Chicago from the Chicago River to Evanston there is perhaps the largest concentration of elderly per percentage of the population of any congressional district in the Midwest. These people are on retirement and find it difficult to live on a modest retirement income and obtain adequate housing. The present program has helped to fill the need. I am sure with the extension of the program there will be many more senior citizens housing projects built.

Because of the favorable financing terms available to nonprofit sponsors under the program, we are able to provide housing at rentals \$15 to \$20 a month below the rents which would have to be charged under conventional financing methods. Nonprofit sponsors, such as religious groups, cooperatives, and labor unions can obtain a loan for a term as long as 50 years and at an interest rate of 3½ percent. This interest rate is based on a formula which represents the average cost of money to the Treasury so there is no subsidy involved.

Mr. Speaker, the direct loan program of housing for the elderly is one of the most successful housing programs we have and it is vital that we pass this bill today to assure that the program will have funds to permit it to operate through the next fiscal year. Failure to pass this bill would be a terrible blow to our senior citizens who need and deserve decent housing. Our committee heard impressive and expert testimony on the dimension of this problem. For example, almost one-fifth of of the 16 million housing units in which elderly persons live are substandard according to recent tabulations of the Census Bureau.

At the time of the 1960 census, 23,700,000 persons 60 years and over lived in this country. The median income in

1959 of older persons who headed households was \$1,900. The median income of households with older persons was \$3,300 as compared with \$5,000 for all households. Many older persons were found to be living with their children in houses too small for the families.

These are cold figures but it takes very little imagination to picture the misery and unhappiness of these senior citizens living in unsuitable substandard or inadequate housing. Others are depriving themselves of things they need in order to pay the rentals necessary to live in housing that is perhaps little better than substandard. A country which boasts the highest living standards in the world cannot afford to ignore the housing situation of its elderly mothers and fathers and grandparents.

I cannot see how anyone who understands the economic problems of the elderly can vote against this bill. The need is great. I repeat there are close to 25 million elderly with median incomes of \$1,900 to \$3,300—almost 2,000 per year less than other households and one-fifth of these live in substandard homes. Mr. Speaker, I urge that this bill be promptly passed by the House so that this deserving program which is doing so much good and which costs the Government nothing, since the loans are fully repayable, can be continued without interruption.

Mr. RHODES of Pennsylvania. Mr. Speaker, this legislation to provide low and moderate cost housing for the elderly is meritorious and should be enacted. It is a good bill which applies to both urban and rural areas.

The need for this program is made evident by the fact that 21 million of our fellow citizens are now 62 years of age or older. Every year this number is increased by another half-million.

In my home city of Reading I am acquainted with the many problems that face our elderly folks in need of decent housing facilities. For 10 years I served as a member of the Reading Housing Authority and became familiar with these problems.

Reading has been the first city in the Nation to have a public housing project for elderly citizens. The need for this program in my district was made evident by the large number of eligible old folks who applied for the limited number of available housing units. A second project for the elderly has been approved for Reading and plans for construction are now underway.

These are the kind of programs, Mr. Speaker, that will bring employment as well as a little sunshine into the lives of many elderly citizens in the distressed coal region areas where modern public housing is sorely needed.

This legislation is urgent and I trust that it will be enacted before this Congress adjourns.

Mr. COHELAN. Mr. Speaker, I rise in support of this measure to provide additional funds for low and moderate cost housing for our Nation's senior citizens.

The problems which these citizens face, Mr. Speaker, are many and difficult. They are not limited, furthermore, to the 17 million persons in our



country age 65 and over—a group which represents the fastest growing segment of our entire adult population. These problems are also of serious concern to the many young people who have aged parents to support; to the middle aged who find employment opportunities closing to them; and to those who are about to step over the threshold into the strange and uncertain world of retirement.

These problems range the entire spectrum of our daily existence. They enter into such significant facets of our daily life as education, employment, pensions, and productive use of retirement years. These problems are formidable in scope, they are complex in their ramifications, and they are compelling in their quality. None of these problems, however, is more formidable, more complex, or more compelling than that of providing safe, sanitary housing at prices which our senior citizens can afford.

To meet this need will require a substantial effort. It will require such an effort for a sizable portion of our elderly live in substandard housing; their average incomes are far below that of other groups; and their housing requirements are often special in nature.

This bill, Mr. Speaker, provides such an effort. It is far-sighted and constructive. It is a measure which commends itself on the basis of both need and merit and I urge that it be approved without further delay.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill H.R. 12628, with an amendment?

The question was taken; and the Speaker announced that in his opinion two-thirds had voted in favor thereof.

Mr. McDONOUGH. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 367, nays 6, not voting 62, as follows:

[Roll No. 204]

YEAS—367

|                |              |                |
|----------------|--------------|----------------|
| Abernethy      | Bray         | Dague          |
| Addabbo        | Breeding     | Daniels        |
| Albert         | Brewster     | Davis, John W. |
| Alexander      | Bromwell     | Delaney        |
| Aiford         | Brooks, Tex. | Dent           |
| Anderson, Ill. | Broomfield   | Denton         |
| Andrews        | Brown        | Derounian      |
| Anfuso         | Broyhill     | Derwinski      |
| Ashley         | Bruce        | Devine         |
| Ashmore        | Buckley      | Diggs          |
| Aspinall       | Burke, Ky.   | Dingell        |
| Auchincloss    | Burke, Mass. | Doie           |
| Avery          | Burleson     | Dowdy          |
| Ayres          | Byrne, Pa.   | Downing        |
| Bailey         | Byrnes, Wls. | Doyle          |
| Baker          | Cahill       | Dulski         |
| Baldwin        | Carey        | Durno          |
| Barrett        | Casey        | Dwyer          |
| Barry          | Cederberg    | Edmondson      |
| Bass, Tenn.    | Celler       | Elliott        |
| Bates          | Chamberlain  | Everett        |
| Battin         | Chelf        | Fallon         |
| Becker         | Chenoweth    | Farbstein      |
| Beckworth      | Chiperfield  | Fascell        |
| Beermann       | Church       | Felghan        |
| Belcher        | Clancy       | Fenton         |
| Bell           | Clark        | Finnegan       |
| Bennett, Fla.  | Cohelan      | Fino           |
| Bennett, Mich. | Colmer       | Fisher         |
| Berry          | Conte        | Flood          |
| Betts          | Cook         | Flynt          |
| Boggs          | Cooley       | Fogarty        |
| Boland         | Corbett      | Ford           |
| Bolton         | Corman       | Forrester      |
| Bonner         | Curtin       | Frelinghuysen  |
| Bow            | Curtis, Mo.  | Friedel        |
| Brademas       | Daddario     | Fulton         |

|                 |                |                  |
|-----------------|----------------|------------------|
| Gallagher       | Lennon         | Roberts, Tex.    |
| Garmatz         | Lesinski       | Robison          |
| Gary            | Libonati       | Rodino           |
| Gathings        | Lindsay        | Rogers, Colo.    |
| Gavin           | Lipscomb       | Rogers, Fla.     |
| Giaino          | Loser          | Rogers, Tex.     |
| Gilbert         | McCulloch      | Rooney           |
| Glenn           | McDonough      | Roosevelt        |
| Gonzalez        | McFall         | Rosenthal        |
| Goodell         | McIntire       | Rostenkowski     |
| Goodling        | MacGregor      | Roudebush        |
| Grant           | Mack           | Roush            |
| Gray            | Madden         | Rousselot        |
| Green, Oreg.    | Magnuson       | Rutherford       |
| Green, Pa.      | Mahon          | Ryan, Mich.      |
| Griffin         | Maillard       | Ryan, N.Y.       |
| Griffiths       | Marshall       | St. George       |
| Gross           | Martin, Mass.  | St. Germain      |
| Gubser          | Mathias        | Santangelo       |
| Hagan, Ga.      | Matthews       | Saylor           |
| Hagen, Calif.   | May            | Schadeberg       |
| Haley           | Meador         | Schenck          |
| Halleck         | Michel         | Schneebeli       |
| Halpern         | Miller, Clem   | Schweiker        |
| Hansen          | Miller,        | Schwengel        |
| Harding         | George P.      | Scott            |
| Hardy           | Miller, N.Y.   | Scranton         |
| Harris          | Milliken       | Selden           |
| Harrison, Va.   | Mills          | Shelley          |
| Harrison, Wyo.  | Minshall       | Sheppard         |
| Harsha          | Moeller        | Shipley          |
| Harvey, Ind.    | Monagan        | Shriver          |
| Harvey, Mich.   | Montoya        | Sibal            |
| Hays            | Moore          | Sikes            |
| Healey          | Moorehead,     | Siler            |
| Hechler         | Ohio           | Slack            |
| Hemphill        | Moorhead, Pa.  | Smith, Calif.    |
| Henderson       | Morgan         | Smith, Iowa      |
| Herlong         | Morse          | Smith, Miss.     |
| Hiestand        | Mosher         | Spence           |
| Hoeven          | Moss           | Springer         |
| Hoffman, Ill.   | Moulder        | Stafford         |
| Hollfield       | Multer         | Staggers         |
| Holland         | Murphy         | Steed            |
| Horan           | Murray         | Stephens         |
| Hosmer          | Natcher        | Stratton         |
| Huddleston      | Nedzi          | Stubblefield     |
| Hull            | Nelsen         | Sullivan         |
| Ichord, Mo.     | Nix            | Taylor           |
| Inouye          | Norblad        | Teague, Calif.   |
| Jarman          | Norrell        | Teague, Tex.     |
| Jennings        | O'Brien, N.Y.  | Thomas           |
| Jensen          | O'Hara, Ill.   | Thompson, N.J.   |
| Joelson         | O'Hara, Mich.  | Thompson, Tex.   |
| Johnson, Calif. | O'Konski       | Thomson, Wls.    |
| Johnson, Md.    | Olsen          | Thornberry       |
| Johnson Wis.    | O'Neill        | Toll             |
| Jonas           | Osmer          | Tollefson        |
| Jones, Ala.     | Ostertag       | Trimble          |
| Jones, Mo.      | Passman        | Tupper           |
| Judd            | Patman         | Udall, Morris K. |
| Karsten         | Pelly          | Ullman           |
| Karth           | Perkins        | Vanik            |
| Kastenmeter     | Pfost          | Van Pelt         |
| Kearns          | Philbin        | Waggonner        |
| Kee             | Pike           | Wallhauser       |
| Keith           | Pillion        | Walter           |
| Kelly           | Pirnie         | Watts            |
| Keogh           | Poage          | Weaver           |
| Kilgore         | Poff           | Weis             |
| King, Calif.    | Price          | Westland         |
| King, N.Y.      | Pucinski       | Whalley          |
| King, Utah      | Purcell        | Wharton          |
| Kirwan          | Qule           | Whitener         |
| Kluczynski      | Rains          | Whitten          |
| Knox            | Randall        | Wickersham       |
| Kornegay        | Reece          | Widnall          |
| Kowalski        | Reifel         | Williams         |
| Kunkel          | Reuss          | Willis           |
| Kyl             | Rhodes, Ariz.  | Winstead         |
| Laird           | Rhodes, Pa.    | Wright           |
| Landrum         | Riehlman       | Yates            |
| Lane            | Riley          | Young            |
| Langen          | Rivers, Alaska | Younger          |
| Lankford        | Rivers, S.C.   | Zablocki         |
| Latta           | Roberts, Ala.  | Zelenko          |

NAYS—6.

|         |          |               |
|---------|----------|---------------|
| Abblitt | Dorn     | Martin, Nebr. |
| Alger   | Johansen | Ray           |

NOT VOTING—62

|            |               |                |
|------------|---------------|----------------|
| Adair      | Cramer        | Frazier        |
| Andersen,  | Cunningham    | Garland        |
| Minn.      | Curtis, Mass. | Granahan       |
| Arends     | Davis,        | Hall           |
| Ashbrook   | James C.      | Hébert         |
| Baring     | Davis, Tenn.  | Hoffman, Mich. |
| Bass, N.H. | Dawson        | Kilburn        |
| Blatnik    | Dominick      | Kitchin        |
| Blitch     | Donohue       | McDowell       |
| Bolling    | Dooley        | McMillan       |
| Boykin     | Elisworth     | McSweeney      |
| Cannon     | Evins         | McVey          |
| Coad       | Findley       | Macdonald      |
| Collier    | Fountain      | Mason          |

|               |               |                |
|---------------|---------------|----------------|
| Morrow        | Saund         | Tuck           |
| Morris        | Scherer       | Utt            |
| Morrison      | Seely-Brown   | Van Zandt      |
| Nygaard       | Short         | Vinson         |
| O'Brien, Ill. | Sisk          | Wilson, Calif. |
| Peterson      | Smith, Va.    | Wilson, Ind.   |
| Plicher       | Taber         |                |
| Powell        | Thompson, La. |                |

So (two-thirds having voted in favor thereof) the rules were suspended and the bill as amended was passed.

The Clerk announced the following pairs:

Mr. Cannon with Mr. Arends.  
Mr. O'Brien of Illinois with Mr. Short.  
Mr. Baring with Mr. Nygaard.  
Mr. Vinson with Mr. Hall.  
Mr. Boykin with Mr. Adair.  
Mr. Pilcher with Mr. Cramer.  
Mr. Hébert with Mr. Findley.  
Mr. Powell with Mr. Wilson of California.  
Mr. Morrison with Mr. Dooley.  
Mr. Kitchin with Mr. Kilburn.  
Mr. Peterson with Mr. Ashbrook.  
Mr. Morris with Mr. Van Zandt.  
Mr. Blatnik with Mr. Moorehead of Ohio.  
Mr. Evins with Mr. Andersen of Minnesota.  
Mrs. Granahan with Mr. Elsworth.  
Mr. Bolling with Mr. McVey.  
Mr. Saund with Mr. Wilson of Indiana.  
Mr. Thompson of Louisiana with Mr. Collier.

Mr. James C. Davis with Mr. Garland.  
Mr. McDowell with Mr. Bass of New Hampshire.

Mr. Sisk with Mr. Utt.  
Mr. Davis of Tennessee with Mr. Cunningham.

Mr. McMillian with Mr. Morrow.  
Mr. Fountain with Mr. Taber.  
Mr. Donohue with Mr. Curtis of Massachusetts.

Mr. Macdonald with Mr. Dominick.  
Mr. Frazier with Mr. Mason.  
Mr. Coad with Mr. Seely-Brown.  
Mr. Dawson with Mr. Hoffman of Michigan.

Mr. RAY and Mr. JOHANSEN changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CORRECTION OF VOTE

Mr. HAGAN of Georgia. Mr. Speaker, on rollcall No. 203 I am recorded as not voting. I was present and voted "aye." I ask unanimous consent that the permanent RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. MONAGAN. Mr. Speaker, on rollcall No. 202 I am recorded as not voting. I was present and voted "aye." I ask unanimous consent that the permanent RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. FINNEGAN. Mr. Speaker, on rollcall No. 201 I am recorded as not voting. I was present and voted "aye." I ask unanimous consent that the permanent RECORD and Journal be corrected accordingly.



The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

#### MOTIONS TO SUSPEND RULES

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that motions to suspend the rules under rule XXVII, in order on Monday, September 3, be transferred to Thursday, August 30, 1962.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. WILLIAMS. Mr. Speaker, I object.

#### INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT

Mr. HARRIS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 11099) to amend the Public Health Service Act to provide for the establishment of an Institute of Child Health and Human Development, and for other purposes, with an amendment.

The Clerk read as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title IV of the Public Health Service Act (42 U.S.C., ch. 6A, subch. III) is amended by adding at the end thereof the following new part:*

#### "PART E—INSTITUTES OF CHILD HEALTH AND HUMAN DEVELOPMENT AND OF GENERAL MEDICAL SCIENCES

##### *"Establishment of Institute of Child Health and Human Development*

"SEC. 441. The Surgeon General is authorized, with the approval of the Secretary, to establish in the Public Health Service an institute for the conduct and support of research and training relating to maternal health, child health, and human development, including research and training in the special health problems and requirements of mothers and children and in the basic sciences relating to the processes of human growth and development, including prenatal development.

##### *"Establishment of Institute of General Medical Sciences*

"SEC. 442. The Surgeon General is authorized, with the approval of the Secretary, to establish in the Public Health Service an institute for the conduct and support of research and research training in the general or basic medical sciences and related natural or behavioral sciences which have significance for two or more other institutes, or are outside the general area of responsibility of any other institute, established under or by this Act.

##### *"Establishment of Advisory Councils*

"SEC. 443. (a) The Surgeon General is authorized, with the approval of the Secretary, to establish an advisory council to advise, consult with, and make recommendations to the Surgeon General on matters relating to the activities of the institute established under section 441. He may also, with such approval, establish such a council with respect to the activities of the institute established under section 442.

"(b) The provisions relating to the composition, terms of office of members, and reappointment of members of advisory councils under section 432(a) shall be applicable to any council established under this section, except that, in lieu of the requirement in such sections that six of the members be outstanding in the study, diagnosis, or

treatment of a disease or diseases, six of such members shall be selected from leading medical or scientific authorities who are outstanding in the field of research or training with respect to which the council is being established, and except that the Surgeon General, with the approval of the Secretary may include on any such council established under this section such additional ex officio members as he deems necessary in the light of the functions of the institute with respect to which it is established.

"(c) Upon appointment of any such council, it shall assume all or such part as the Surgeon General may, with the approval of the Secretary, specify of the duties, functions, and powers of the National Advisory Health Council relating to the research or training projects with which such council established under this part is concerned and such portion as the Surgeon General may specify (with such approval) of the duties, functions, and powers of any other advisory council established under this Act relating to such projects.

##### *"Functions*

"SEC. 444. The Surgeon General shall, through an institute established under this part, carry out the purposes of section 301 with respect to the conduct and support of research which is a function of such institute, except that the Surgeon General shall, with the approval of the Secretary, determine the areas in which and the extent to which he will carry out such purposes of section 301 through such institute or an institute established by or under other provisions of this Act, or both of them, when both such institutes have functions with respect to the same subject matter. The Surgeon General is also authorized to provide training and instruction and establish and maintain traineeships and fellowships, in the institute established under section 441 and elsewhere in matters relating to diagnosis, prevention, and treatment of a disease or diseases or in other aspects of maternal health, child health, and human development, with such stipends and allowances (including travel and subsistence expenses) for trainees and fellows as he deems necessary, and, in addition, provide for such training, instruction, and traineeships and for such fellowships through grants to public or other nonprofit institutions.

##### *"Preservation of existing authority*

"SEC. 445. Nothing in this part shall be construed as affecting the authority of the Secretary under section 2 of the Act of April 9, 1912 (42 U.S.C. 192), or title V of the Social Security Act (42 U.S.C., ch. 7, subch. V), or as affecting the authority of the Surgeon General to utilize institutes established under other provisions of this Act for research or training activities relating to maternal health, child health, and human development or to the general medical sciences and related sciences."

SEC. 2. Section 301(d) of the Public Health Service Act is amended by striking out the words "research projects" wherever they appear therein and inserting in lieu thereof "research or research training projects".

SEC. 3. Title II of the Public Health Service Act is amended by adding after section 221 the following new section:

##### *"Advisory committees*

"SEC. 222. (a) The Surgeon General may, without regard to the civil service laws, and subject to the Secretary's approval in such cases as the Secretary may prescribe, from time to time appoint such advisory committees (in addition to those authorized to be established under other provisions of law), for such periods of time, as he deems desirable for the purpose of advising him in connection with any of his functions.

"(b) Members of any advisory committee appointed under this section who are not regular full-time employees of the United

States shall, while attending meetings or conferences of such committee or otherwise engaged on business of such committee receive compensation and allowances as provided in section 208(c) for members of national advisory councils established under this Act.

"(c) Upon appointment of any such committee, the Surgeon General, with the approval of the Secretary, may transfer such of the functions of the National Advisory Health Council relating to grants-in-aid for research or training projects in the areas or fields with which such committee is concerned as he determines to be appropriate."

The SPEAKER. Is a second demanded?

Mr. SCHENCK. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

(Mr. HARRIS asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. HARRIS. Mr. Speaker, I am asking the House to support the bill H.R. 11099, which was reported unanimously by our committee.

The purpose of the legislation is to establish two new institutes at the National Institutes of Health. The first of these two would be the Institute of Child Research and Human Development. The second would be the Institute of General Medical Sciences.

As the Members of the House can readily see from the names of these two proposed new institutes, neither of them is related or limited to any particular disease or disease category.

At present, there are seven institutes at the National Institutes of Health. Each of these institutes deals with a different disease or disease category. There is the National Cancer Institute, the National Heart Institute, the National Institute of Mental Health, the National Institute of Dental Research, and so forth.

Now, under the provisions of the Public Health Service Act, the Surgeon General is authorized to establish by administrative action additional institutes for other diseases and groups of diseases. He is not authorized, however, to establish any institute which cuts across individual disease categories. Therefore, it is necessary to resort to legislation if these two new institutes are to be established.

Some of the Members of the House might ask, "Why is it necessary to establish new institutes?" Some Members may say that the existing institutes are already spending enough money, and that the creation of two additional institutes will only lead to increased spending.

Let me tell you, then, why our committee feels that it is highly desirable to establish these two new institutes.

Our committee received extensive testimony from physicians expert in these two areas that there is an urgent need for better administrative coordination of research activities carried on and supported by the National Institutes of Health where these research activities are not directly related and limited to individual diseases. These witnesses testified that research in these two broad areas in which the new institutes would







87TH CONGRESS  
2D SESSION

# H. R. 12628

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IN THE SENATE OF THE UNITED STATES

AUGUST 28, 1962

Read twice and referred to the Committee on Banking and Currency

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## AN ACT

To provide additional funds under section 202 (a) (4) of the Housing Act of 1959, and to amend title V of the Housing Act of 1949, in order to provide low and moderate cost housing, both urban and rural, for the elderly.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the "Senior Citizens Housing  
4       Act of 1962".

5       SEC. 2. The Congress finds that there is a large and  
6       growing need for suitable housing for older people both  
7       in urban and rural areas. Our older citizens face special  
8       problems in meeting their housing needs because of the  
9       prevalence of modest and limited incomes among the elderly,



1 their difficulty in obtaining liberal long-term home mortgage  
2 credit, and their need for housing planned and designed  
3 to include features necessary to the safety and convenience  
4 of the occupants in a suitable neighborhood environment.  
5 The Congress further finds that the present programs for  
6 housing the elderly under the Housing and Home Finance  
7 Agency have proven the value of Federal credit assistance  
8 in this field and at the same time demonstrated the urgent  
9 need for an expanded and more comprehensive effort to  
10 meet our responsibilities to our senior citizens.

11 SEC. 3. (a) Section 202 (a) (4) of the Housing Act of  
12 1959 is amended by striking out “\$125,000,000” and insert-  
13 ing in lieu thereof “\$225,000,000”.

14 (b) Effective with respect to applications for loans  
15 under section 202 of the Housing Act of 1959 made after the  
16 date of the enactment of this Act—

17 (1) section 202 (d) (1) of such Act is amended by  
18 striking out “(A)”, and by striking “, and (B)” and  
19 all that follows and inserting in lieu thereof a period;

20 (2) section 202 (d) (7) of such Act is amended by  
21 striking out all that follows “new structures” and insert-  
22 ing in lieu thereof a period; and

23 (3) section 202 (d) (8) of such Act is amended by  
24 striking out “(A)”, and by striking out “, and (B)”  
25 and all that follows and inserting in lieu thereof a period.

SEC. 4. (a) (1) Section 501 of the Housing Act of 1949  
is amended—

(A) by striking out the period at the end of subsection (a) and inserting in lieu thereof the following:

“, and (3) to elderly persons who are or will be the owners of land in rural areas for the construction, improvement, alteration, or repair of dwellings and related facilities, the purchase of previously occupied dwellings and related facilities and the purchase of land constituting a minimum adequate site, in order to provide them with adequate dwellings and related facilities for their own use.”;

(B) by inserting at the end of subsection (b) the following new paragraph:

“(3) For the purposes of this title, the term ‘elderly persons’ means persons who are 62 years of age or over.”;  
and

(C) by inserting immediately before the semicolon at the end of clause (1) of subsection (c) the following:

“, or that he is an elderly person in a rural area without an adequate dwelling or related facilities for his own use”.

(2) Section 502 (a) of such Act is amended by adding at the end thereof the following new sentence: “In cases of applicants who are elderly persons, the Secretary may accept

1 the personal liability of any person with adequate repay-  
2 ment ability who will cosign the applicant's note to compen-  
3 sate for any deficiency in the applicant's repayment ability."

4 (b) Title V of the Housing Act of 1949 is amended  
5 by adding at the end thereof the following new section:

6 "DIRECT AND INSURED LOANS TO PROVIDE HOUSING AND  
7 RELATED FACILITIES FOR ELDERLY PERSONS AND  
8 FAMILIES IN RURAL AREAS

9 "SEC. 515. (a) The Secretary is authorized to make  
10 loans to private nonprofit corporations and consumer coop-  
11 eratives to provide rental housing and related facilities for  
12 elderly persons and elderly families of low or moderate  
13 income in rural areas, in accordance with terms and condi-  
14 tions substantially identical with those specified in section  
15 502; except that—

16 "(1) no such loan shall exceed the development  
17 cost or the value of the security, whichever is less;

18 "(2) such loans shall bear interest at rates deter-  
19 mined by the Secretary, not to exceed the maximum  
20 rate provided in section 202 (a) (3) of the Housing Act  
21 of 1959; and

22 "(3) such a loan may be made for a period of up  
23 to fifty years from the making of the loan.

24 There is authorized to be appropriated not to exceed



1 \$50,000,000, which shall constitute a revolving fund to be  
2 used by the Secretary in carrying out this subsection.

3 “(b) The Secretary is authorized to insure and make  
4 commitments to insure loans made to any individual, cor-  
5 poration, association, trust, or partnership to provide rental  
6 housing and related facilities for elderly persons and elderly  
7 families in rural areas, in accordance with terms and condi-  
8 tions substantially identical with those specified in section  
9 502; except that—

10 “(1) no such loan shall exceed \$100,000 or the  
11 development cost or the value of the security, which-  
12 ever is least;

13 “(2) such loans shall bear interest at rates deter-  
14 mined by the Secretary, not to exceed the maximum rate  
15 provided in section 203 (b) (5) of the National Housing  
16 Act;

17 “(3) provide for complete amortization by periodic  
18 payments within such term as the Secretary may pre-  
19 scribe;

20 “(4) for insuring such loans, the Secretary shall  
21 utilize the Agricultural Credit Insurance Fund subject to  
22 all the provisions of section 309 and the second and third  
23 sentences of section 308 of the Consolidated Farmers

1 Home Administration Act of 1961, including the author-  
2 ity in section 309 (f) (1) of that Act to utilize the in-  
3 surance fund to make, sell, and insure loans which could  
4 be insured under this subsection; but the aggregate of  
5 the principal amounts of such loans made by the Secre-  
6 tary and not disposed of shall not exceed \$10,000,000  
7 outstanding at any one time; and the Secretary may  
8 take liens running to the United States though the notes  
9 may be held by other lenders; and

10 “(5) no loan shall be insured under this subsection  
11 after June 30, 1964.

12 “(c) No loan shall be made or insured under subsec-  
13 tion (a) or (b) unless the Secretary finds that the construc-  
14 tion involved will be undertaken in an economical manner  
15 and will not be of elaborate or extravagant design or mate-  
16 rials.

17 “(d) As used in this section—

18 “(1) the term ‘housing’ means new or existing  
19 housing suitable for dwelling use by elderly persons  
20 or elderly families;

21 “(2) the term ‘related facilities’ includes cafeterias  
22 or dining halls, community rooms or buildings, appropri-  
23 ate recreation facilities, and other essential service  
24 facilities;

25 “(3) the term ‘elderly persons’ means persons who

1 are 62 years of age or over; and the term ‘elderly fami-  
 2 lies’ means families the head of which (or his spouse)  
 3 is 62 years of age or over; and

4 “(4) the term ‘development cost’ means the costs  
 5 of constructing, purchasing, improving, altering, or re-  
 6 pairing new or existing housing and related facilities  
 7 and purchasing and improving the necessary land, in-  
 8 cluding necessary and appropriate fees and charges ap-  
 9 proved by the Secretary.

10 “(e) Amounts made available pursuant to section 513  
 11 of this Act shall be available for administrative expenses  
 12 incurred under this section.”

13 (c) (1) Section 511 of the Housing Act of 1949 is  
 14 amended—

15 (A) by striking out “section 504 (b)” and insert-  
 16 ing in lieu thereof “section 504 (b) or 515 (a)”; and

17 (B) by striking out “\$650,000,000” and inserting  
 18 in lieu thereof “\$700,000,000, of which \$50,000,000  
 19 shall be available exclusively for assistance to elderly  
 20 persons as provided in clause (3) of section 501 (a)”.

21 (2) Section 506 (a) of such Act is amended by striking  
 22 out “section 514” each place it appears and inserting in lieu  
 23 thereof “sections 514 and 515”.

24 (3) Section 504 (a) of such Act is amended by striking  
 25 out “(1) in the form of a loan, or combined loan and grant,



1 in excess of \$1,000, or (2) in the form of a grant (whether  
2 or not combined with a loan) in excess of \$500” and insert-  
3 ing in lieu thereof “in the form of a loan, grant, or combined  
4 loan and grant in excess of \$1,000”.

5 (4) Paragraph (12) of section 5200 of the Revised  
6 Statutes (12 U.S.C. 84) is amended by inserting “or title V  
7 of the Housing Act of 1949,” immediately before “shall be  
8 subject under this section”.

Passed the House of Representatives August 27, 1962.

Attest:

RALPH R. ROBERTS,

*Clerk.*









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## AN ACT

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To provide additional funds under section 202 (a) (4) of the Housing Act of 1959, and to amend title V of the Housing Act of 1949, in order to provide low and moderate cost housing, both urban and rural, for the elderly.

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August 28, 1962

Read twice and referred to the Committee on  
Banking and Currency







# Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF  
BUDGET AND FINANCE

(For information only;  
should not be quoted  
or cited)

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued Sept. 14, 1962  
For actions of Sept. 13, 1962  
87th-2d, No. 165

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**HIGHLIGHTS:** Senate committee tentatively agreed to foreign trade bill amendment re agricultural import restrictions. Senate committee reported bill for housing for elderly in rural areas. Sen. Tower urged delay in consideration of foreign trade bill. Rep. Berry criticized lumber imports and discussed problems of lumber industry. Sen. Bottum introduced and discussed bill for emergency transportation of farm products in Midwest. Rep. Kitchin introduced and discussed bills to restrict imports of cotton products.

## SENATE

1. **HOUSING.** The Banking and Currency Committee reported without amendment H. R. 12628, to authorize a program of housing for the elderly in rural areas. This bill includes authorization of \$50 million additional in loan funds for Farmers Home Administration loans for new construction on farms and in rural nonfarm areas, authorization for the appropriation of \$50 million for a new program of FHA direct loans to private nonprofit corporations and consumer cooperatives to build moderate-cost rental housing for the elderly, and an increase in the rural grant ceiling from \$500 to \$1,000 for home improvements by owner-occupants whose incomes are so low they cannot qualify for loans from any source. (S. Rept. 2049). p. 18214

The Rules and Administration Committee reported a resolution to authorize the printing of additional copies of a committee print, "Housing for the Elderly." p. 18213

2. FOREIGN TRADE. The "Daily Digest" states that the Finance Committee continued consideration of H. R. 11970, the proposed Trade Expansion Act of 1962, and announced "the following tentative actions thereon":

"1. Section 221, relating to the advice of the Tariff Commission to the President prior to negotiations was redrafted to make more specific the factors to be taken into consideration by the Tariff Commission in making the prenegotiation study.

"2. Approved an amendment substituting for the provisions of the bill relating to the EEC a new group, called the Free European Trading Community, consisting of all members of the European Economic Community and such members of the European Free Trade Association as the President may designate.

"3. Adopted an amendment redesignating section 252(c) as (d) and inserting a new section (c) which would provide that whenever a country which receives benefits from trade agreement concessions made by the U.S. maintains unreasonable import restrictions which either directly or indirectly substantially burden U.S. commerce, the President may suspend, withdraw, or prevent the application of benefits of trade agreement concession to products of such country or refrain from proclaiming benefits of trade agreement concessions to carry out a trade agreement with such country.

"4. Adopted amendment to provide that nothing contained in this act shall be construed to repeal or modify in any way any of the provisions of section 22 of the Agricultural Adjustment Act, or to apply to any import restrictions heretofore or hereafter imposed under said section."

Sen. Tower discussed the difficulties involved in Great Britain's proposed entry into the European Common market and urged delay in passage of the proposed Trade Expansion Act of 1962, stating "It would be sheer folly for us to proceed at full speed through the murk now engulfing world trade." pp. 18216-7

3. MINERALS. The Interior and Insular Affairs Committee reported without amendment H. R. 9280, to give the Secretary of the Interior discretionary authority to sell certain mineral and vegetative materials on public lands by negotiation rather than by competitive bid when in the best interest of the Government (S. Rept. 2035), and with amendment S. J. Res. 136, to determine the susceptibility of minerals to electrometallurgical processes (S. Rept. 2034). p. 18213

4. STOCKPILING. The Armed Services Committee voted to report (but did not actually report) H. Con. Res. 509, expressing approval of the Congress for the disposition of certain materials from the national stockpile, and H. R. 12416, authorizing the sale of chestnut extract from the strategic stockpile. p. D836

5. LAW; COURTS. Sen. Hruska endorsed the provisions of H. R. 1960, to make it possible to bring actions against Government officials and agencies in U. S. district courts outside D.C. p. 18221

6. TRANSPORTATION. Sen. Dirksen inserted a brochure on the national conference on private and unregulated transportation to be held Oct. 29 at the transportation center at Northwestern University. pp. 18263-4

7. FEDERAL-STATE RELATIONS. Sen. Muskie announced that the Subcommittee on Intergovernmental Relations of the Senate Government Operations Committee will hold hearings Sept. 18 on problems in the field of Federal-State-local relations. p. 18216

8. INFORMATION. Sen. Humphrey announced that the Senate Government Operations Subcommittee on Reorganization and International Organization will hold hearings Sept. 20 on future plans of the Government to improve the management of information, particularly scientific and engineering information. pp. 18241-3



87TH CONGRESS }  
2d Session }

SENATE

{ REPORT  
{ No. 2049

SENIOR CITIZENS HOUSING ACT  
OF 1962

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REPORT  
OF THE  
COMMITTEE ON  
BANKING AND CURRENCY  
UNITED STATES SENATE  
TO ACCOMPANY  
H.R. 12628



SEPTEMBER 13, 1962.—Ordered to be printed

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U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1962

## COMMITTEE ON BANKING AND CURRENCY

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## SENIOR CITIZENS HOUSING ACT OF 1962

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SEPTEMBER 13, 1962.—Ordered to be printed

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Mr. SPARKMAN, from the Committee on Banking and Currency,  
submitted the following

## R E P O R T

[To accompany H.R. 12628]

The Committee on Banking and Currency, to whom was referred the bill (H.R. 12628) to provide additional funds under section 202(a)(4) of the Housing Act of 1959, and to amend title V of the Housing Act of 1949, in order to provide low and moderate cost housing, both urban and rural, for the elderly, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

## INTRODUCTION

## WHAT THE BILL WOULD DO

I. *Housing for the elderly (program administered by Housing and Home Finance Agency).*—The bill would authorize the appropriation of an additional \$100 million for the highly successful existing program of direct loans to provide housing for the elderly. Under this program the Housing and Home Finance Administrator can lend on favorable enough terms—3½ percent interest and a 50-year loan maturity—so that rental housing can be provided for the elderly at rents of \$15 to \$20 a month below projects financed either conventionally or with FHA insurance.

II. *Housing for the elderly (program to be administered by Department of Agriculture).*—Basically the bill would establish a number of new housing aids under the Farmers Home Administration of the Department of Agriculture for the elderly who live in rural areas.

(a) The Farmers Home Administration is now authorized to make housing loans on favorable terms for new construction on farms and in rural nonfarm areas. The bill would give the elderly, i.e., those 62 or over, three special advantages under the existing loan program.

First, they would be permitted to buy existing housing as well as build or improve their homes. Second, cosigners would be permitted in the case of elderly applicants who are deficient in repayment ability. Third, they could finance the cost of both the land and the dwelling with the loan proceeds (others must own their lot before they can apply for a loan). An additional \$50 million in loan funds would be provided, earmarked exclusively for the elderly.

(b) The bill would establish a new program of direct loans by the Farmers Home Administration to private nonprofit corporations and consumer cooperatives to build moderate-cost rental housing for the elderly. The terms of the financing would be similar to the direct loan program administered by HHFA for the elderly in urban areas (3½ percent interest and a maturity up to 50 years). The bill would authorize an appropriation of \$50 million for this new program.

(c) The bill also would establish a new Farmers Home Administration insurance program to provide rental housing for the elderly in rural areas. This new insurance program would be similar to the Federal Housing Administration insurance program to provide housing for the elderly whose incomes enable them to afford rentals under the terms of insured financing (presently a 40-year term with an interest rate of 5¼ percent).

(d) The bill would increase from \$500 to \$1,000 the grant which owner-occupants, whose incomes are so low that they cannot qualify for loans from any source, may obtain for improvements to their homes, necessary to insure the health and safety of the housing, as well as the health and safety of the community. The \$500 ceiling was established in 1949 when much lower cost levels prevailed. The committee believes the increased grants would be particularly beneficial to elderly applicants who may need to improve the health and safety conditions of their homes.

#### BACKGROUND OF BILL

The committee takes special pride in the role it has played in developing legislation to meet the housing needs of our Nation's elderly families and persons. While the housing needs of our elderly people have long been of concern to the Congress and to the committee, it was not perhaps until 1956, when a staff report, entitled "Housing for the Aged" to the Subcommittee on Housing of the Senate Committee on Banking and Currency was made, that the housing needs and requirements of the elderly were brought into direct focus. As a result of this report, several bills were introduced in the Senate that year proposing legislation to deal with the housing problems of the elderly. Subsequently, the committee reported S. 3855 containing provisions, which were ultimately incorporated in the Housing Act of 1956, providing certain public housing benefits, as well as liberalized Federal Housing Administration provisions for insurance of private housing for elderly persons.

The Housing Act of 1959 put together the results of experience in the field under previous laws and the research and hearings completed by the committee into a comprehensive program designed to meet the needs of our senior citizens. These include provisions for low, as well as middle-income groups, direct loans for nonprofit groups, mortgage insurance for profit or nonprofit groups of all income categories, and a liberal insurance program for nursing homes.



The 1961 act liberalized the terms under the direct loan program and provided additional subsidy for elderly tenants in public housing.

Thus, the committee, the Congress, and the country have shown a growing realization of the needs of older people and our moral obligation to help them.

In the field of housing, senior citizens are confronted with a special group of obstacles. Their age makes it particularly difficult to obtain liberal mortgage financing. Because the great majority of them have fixed and limited incomes they are often unable to afford the kind of housing they need.

All of these problems are magnified on farms and in rural nonfarm areas where mortgage credit is especially difficult to obtain and where housing needs are just as great as in urban areas. The present programs of aid for housing in farm and rural nonfarm areas, established under title V of the Housing Act of 1949, have made an important contribution to raising housing standards in such areas, but the committee believes that additional programs are needed, particularly for senior citizens in rural areas.

One of the most successful programs to help meet the housing needs of the elderly is the present section 202 program of low-interest direct loans for rental housing in urban areas. These loans reduce rents by as much as \$20 a month compared to usual financing charges. All of the funds authorized have already been appropriated or are included in current budget requests and incorporated in the independent offices appropriation bill of 1963, and still the Housing Agency finds that the demand for this assistance requires additional authorization.

Because of this need for additional funds for the direct loan program, and because of the committee's concern for the need to provide special housing aids for our elderly citizens who reside in rural areas, the committee voted, without objection, to report H.R. 12628. The committee recommends that the Senate give favorable consideration to the bill.

#### NEED FOR THE BILL

Most persons now survive well beyond the time they cease to be engaged in gainful employment. Retired, they continue to make contributions to their local communities and to the Nation as a whole. The signs of the future in medical, biological, and psychological research point to further gains, both in longevity and in the capacity to live fully.

The fastest growing age group of the last decade is at the furthest end of life's cycle. From 1950 to 1960 the general population increased only 19 percent, while the older population rose 35 percent and the age group 85 and over soared 61 percent. There has been a ninefold increase in the group over 85 in the last 40 years.

Twenty-one million people are now 62 years of age or over and by 1980 there will be at least 30 million people in this age group. Today one out of three persons reaching the age of 60 has a parent or close relative over 80, and in just 40 years this ratio will rise to two out of three. Soon our society will have not one, but two generations of senior citizens.

In our society the aged have unique social and economic problems. Most older persons are mobile and able to care for themselves with a minimum of help even when disabled. However, 8 out of 10 do have

one or more chronic illnesses; they spend twice as many days per year in hospitals as do those under 65; and they have diseases of the circulatory system at 3 times the rate of younger age groups. Access to medical and health facilities and physical design to compensate for disability are prime requirements for housing older persons.

As a group, the aged of the Nation are in the low or moderate income categories. The median money income of people over 65 is almost half that of those under 65. About half of the elderly families have less than \$3,000 a year; a third have less than \$2,000 a year; only 16 percent have more than \$7,000 a year. Single individuals are in the most desperate category: half of them have less than \$1,050 a year.

The years of regular employment for most persons are busy, active years with the immediate, all-consuming purposes of making a living, raising and educating a family, and enjoying moments of recreation. With the cessation of these activities, many older persons feel disoriented, with no clear meaning to their lives in the years of retirement. This is the period when children, having formed their own families, move on. It is the period when the death of a spouse creates serious emotional problems. Almost half of all the aged are either widowed, separated, divorced, or single—a total of approximately 8 million people living alone, subject to social isolation, lowered income, and unsuitable living arrangements.

A recent study by the Cornell University Center for Housing and Environmental Studies analyzed the quality of housing of a national sample of persons receiving social security payments in 1960. The results of this research study indicated the following:

1. Forty percent of older persons were living in houses built over 51 years ago and an additional 40 percent were living in houses built between 30 and 51 years ago;
2. The aged in poorest health tended to occupy the poorest housing;
3. Approximately 45 percent of all aged households were classified as being in "need of better accommodations," based on the quality of the housing and the living arrangements of individuals dependent on relatives.

Two-thirds of the aged now live in their own homes. A large portion of them have lived in these homes for 30 years or more, after having purchased them to house their young and growing families. They face problems of rising maintenance expenses, higher property taxes, and major repairs at a time when their physical capacities are substantially reduced and their family incomes halved. At this stage, much of the existing housing occupied by senior citizens is too large, too old, too costly, or too inefficient and unsafe for the changes which occur with age.

Preliminary data from a special Census Bureau tabulation indicate that over 19 percent of the households in which senior citizens live are substandard in that they lacked private bath, toilet, or hot running water, or were structurally deficient. These substandard units do not include those which—while basically standard—may not be suitable for older persons because they are too large or too costly to maintain.

The data do not include the 17–20 percent of the aged who do not live in their own households but live, as dependents, with their children or others in generally standard housing. Current research provides evidence that senior citizens generally prefer to live independ-



ently if they can. In most cases desperately low incomes or poor health, or both, compel a parent to move in with their children.

Housing for the Nation's senior citizens thus constitutes a special problem requiring special attention. Housing for senior citizens must be adapted to the physical, psychological, and economic changes which take place with age. It must be especially responsive to the income status of our senior citizens and to the relative inflexibility of their income potentials. It must be designed to play a fundamental role in sustaining the widowed and other single elderly by providing new sources of personal and social relationships. A program to meet the housing needs and living requirements of America's older persons must, therefore, avoid rigidities and dogmatisms and primarily enlarge the area of individual choice among persons to whom individual choice is basic to self-respecting and meaningful living.

#### SPECIAL PROBLEMS FOR RURAL ELDERLY

In 1960, there were 7 million persons who had reached or passed the age of 60 living in rural areas. Almost 2 million live on the farms and about 5 million in the small rural communities of America. This age group represents 13 percent of all persons living in rural areas.

President Kennedy, in his housing message last year, stated: "This country cannot neglect the growing housing needs for the elderly." There has been in recent years a marked increase in publicly sponsored and supported housing programs for the elderly, but these programs to date are mainly oriented to serving the needs of elderly families in urban areas and have not reached the millions of older people living on farms and in small rural towns and villages.

If elderly citizens who live in rural areas were to move to urban centers or some other locality where housing adapted to their physical needs is available, they could compete with others for these facilities.

But to expect elderly people who have spent their lives on farms or in small villages to move away from their relatives, neighbors, churches, and other phases of the environment that has been an integral part of their lives would be a poor solution to their housing problems.

Furthermore, encouraging their movement to larger cities would further aggravate the overcrowded conditions that may already exist there.

The committee recognizes the importance of giving elderly individuals and couples an opportunity to maintain their independence as long as they are physically able to do so. It also recognizes the importance of helping find a solution to their problems that will enable them to live out their lives in dignity in the surroundings that are essential to their well-being and where they will be close to their relatives and lifelong friends.

Many of these elderly persons remain on farms not by choice, but because they have no other place to go. In many counties in the United States today more than one of five farm operators is over 65 years of age. Generally, these are areas of low income and the families have been unable to accumulate sufficient assets during their lifetime to have a decent home during their later years.



There are several groups of these senior citizens in rural areas whose housing needs are currently not being met by any existing credit sources.

One major group includes those who desire to own their home and who can maintain a home of their own but who are not only unable to obtain credit from conventional sources but are also unable to qualify for a loan from the Farmers Home Administration.

In some instances they may need credit to buy a homesite or they may lack the financial ability to personally meet in full the monthly payments that would be due on their housing loan. Under existing law, loans may be made only to persons who already own land and who have the ability to meet their loan payments.

In other instances they may want to buy a previously occupied home but private financing is not available and Farmers Home Administration loans cannot be used for the purchase of existing homes under present law.

Another large group of elderly persons in rural areas who need housing assistance are those who no longer have the incentive or the capacity for maintaining ownership of their own home. Some of these elder citizens need rental housing that is adapted to their needs from the standpoint of cost, space, and facilities.

By amending the farm housing program to include the elderly, the committee does not wish to imply that the elderly housing programs administered by the Housing and Home Finance Agency and its constituent agencies are confined to urban areas only and are not to be employed in rural areas. On the contrary, the committee believes that these programs should be used to serve the housing needs of the elderly wherever these needs occur. However, the housing needs of the elderly on farms and in rural nonfarm areas at present are not being met as rapidly as the committee would like. Since the Farmers Home Administration has some 1,500 local county offices, the personnel of which understand the needs of rural people, since this agency already works closely with county supervisors who are experts at helping low-income farm families, and since it already is staffed with experts in the field of housing and mortgage credit, the committee believes that by amending the existing farm housing program to assist the elderly on farms and in rural nonfarm areas, the housing needs of this group can be met, for the present, more rapidly.

## MAJOR PROVISIONS OF THE BILL

### I. HOUSING FOR THE ELDERLY (PROGRAM ADMINISTERED BY THE HOUSING AND HOME FINANCE AGENCY)

The bill would authorize the appropriation of an additional \$100 million for direct loans by the Housing and Home Finance Administrator for rental and cooperative housing for the elderly. The bill would also restrict loans made after enactment of the bill to loans for new construction.

Under the direct loan program, long-term, low interest rate loans can be made by the Housing and Home Finance Administrator for rental housing and related facilities for the elderly. The current interest rate is 3½ percent and the loans can have maturities of as long as 50 years. Eligible borrowers include private nonprofit corporations.

and (under an amendment made by the Housing Act of 1961) consumer cooperatives and certain public bodies or agencies. Eligible properties include rental housing structures and such related facilities as dining halls, community rooms, infirmaries, and other essential service facilities.

Under the present law, loans may be made for new construction or to rehabilitate, convert, or improve existing structures to make them suitable for housing for the elderly. The bill would remove the authority to rehabilitate or convert existing structures with loan funds. It is believed that the loan program should be used, to the extent of available funds, for new construction that will provide an additional supply of new housing specially and suitably planned for the elderly. By administrative action the Housing and Home Finance Agency has been following the policy of confining its loans to new construction. The committee wishes the law to be changed to assure that this policy will be continued. The committee believes this change will make the best use of all funds made available for loans. It will avoid any possibility that loans will be used for the conversion of existing housing into "make-do" housing which does not serve adequately the needs of elderly persons.

Section 202 of the Housing Act of 1959 presently authorizes appropriations of \$125 million to a revolving fund to be used for making housing loans. To date Congress has appropriated a total of \$80 million for the program. The President's budget for fiscal 1963 proposed the appropriation of the \$45 million balance authorized by existing law (which is included in the pending independent offices appropriation bill) plus an additional \$55 million to come out of the new authorization. The \$100 million of new appropriation authority in the bill would increase the authorization sufficiently to cover these amounts and \$45 million in addition.

As of June 30, 1962, cumulative net reservations of funds lent or earmarked for loans aggregate about \$66 million. It is estimated that this amount will reach about \$180 million by June 30, 1963. The additional authorization provided by the committee would, therefore, be sufficient to carry the program through this fiscal year and give the Congress time next year to appraise the need for additional authorization.

As of May 31, 1962, there were 135 projects under the program which had gone at least as far as the application stage, with some already either completed or underway. These projects represent over 14,000 units costing an estimated amount of \$159.3 million. Funds have been loaned or earmarked for loans for 66 projects totaling close to 5,500 units and \$62.2 million. Nine projects with a total of 553 units and costing \$5.4 million are under construction. Four projects with 168 units and a cost of \$1.5 million are completed and occupied. Sixty-nine projects with units totaling 8,770 and a dollar volume of \$97.1 million were under active review on May 31.

The committee believes that this program serves a need that cannot be met in any other way. It provides suitable housing for older persons whose incomes are too high for public housing but not sufficient to meet the cost of good housing provided with private financing at conventional interest rates. Rental charges per housekeeping unit per month for the projects that had received fund reservations as of December 31, 1961, ranged from \$48 to \$110, or a median of \$75.



In projects with dining facilities the median monthly rental per person, including meals, is \$128, ranging from a low of \$87 to a high of \$150. The median income in 1960 of the elderly families in this country was not quite \$3,000 per year or around \$240 per month. The rentals provided are within the reach of those in this group. A recent Cornell University study indicates that 800,000 units are required to fill the needs of this income group. According to this study, approximately 45 percent of all households of the elderly have been classified as being in "need of better accommodations."

It is essential, therefore, that this direct loan program should be continued if sufficient adequate housing is to be provided within the incomes of these persons and families.

The housing provided under the direct loan program is required to be especially planned and built for use by elderly families and persons. The structures must be designed with the safety, comfort, and convenience of older people in mind. The housing must be accessible to health facilities, other community groups, transportation, shopping facilities, churches, recreation facilities, and other social contacts, all of which are essential to the health and happiness of the tenants. It must also be consonant with overall plans for growth of the community.

## II. HOUSING FOR THE ELDERLY (PROGRAM TO BE ADMINISTERED BY THE DEPARTMENT OF AGRICULTURE)

The rural housing loan program has proved to be a highly effective means of helping families of low and moderate incomes with limited resources to achieve their goal of having adequate homes. The improvements made in the 1961 Housing Act broadened the program to include eligible families in small rural communities and in the open country, even though the land they own is not a farm and even though they depend on nonfarm income for their livelihood. However, title V of the Housing Act of 1949 does not meet the special housing needs of those older persons in rural areas (a) who may not be earning sufficient income to meet all of their obligations and to make payments on a home, or (b) whose housing needs can better be met by rental housing.

The bill would permit the elderly, in recognition of their specific needs, to be eligible to participate in the existing title V housing program. The Secretary would be authorized to make loans to the elderly for the purchase of a previously occupied home or lot on which to build a home. In addition, the bill would permit a relative or a cosigner on the note in order to assure payment of the loan in the case the elderly applicant and spouse do not have sufficient income to meet the payments as they become due. The bill, of course, does not affect other prerequisites of eligibility which are in existing law, particularly those requiring the applicant to show "that he is without sufficient resources to provide the necessary housing and buildings on his own account" and "that he is unable to secure the credit necessary for such housing and buildings from other sources upon terms and conditions which he could reasonably be expected to fulfill."

While the committee is hopeful that the program, as proposed by the bill, will be very helpful in supplying housing on farm and in rural nonfarm areas, the committee strongly believes that private



lenders should be encouraged and should be given the maximum opportunity to provide the financing not only for the elderly, but also for any persons seeking housing on farms and in rural nonfarm areas. In this connection, the committee believes that, in administering this program, the Secretary should not make loans to applicants whose credit abilities are such that they can obtain funds from conventional sources.

The basic purpose of the existing law has been to increase the quantity and quality of homes on farms and in rural nonfarm areas. The limited funds have thus been utilized in new or improved housing rather than land purchase. Retired farmers and other persons in rural areas, however, frequently find it far more economical to buy a previously occupied home that is or can be put in good repair rather than to construct a new home. The committee bill would authorize an increase of \$50 million in the existing loan fund to be earmarked for loans for the elderly.

Another large group of elderly persons in rural areas who need housing assistance are those who no longer have the incentive or the capacity of maintaining ownership of their own homes. Some of these elderly citizens need rental housing that is adapted to their needs from the standpoint of cost, space, and facilities.

The bill adds a new section to title V of the 1949 act to encourage private nonprofit corporations and consumer cooperatives to provide rental housing and related facilities for elderly persons and families in rural nonfarm areas, through low-interest direct loans from the Farmers Home Administration. The interest rate would be the same as under the present program of direct loans administered by the HHFA (currently 3½ percent which is set by a formula which reflects the cost of money to the Treasury and administrative expenses). This rental housing, which would be for persons of low or moderate incomes, will fill a large gap in current housing availability. Loans could be made for dwellings, including apartment and village-type units, and related facilities such as cafeterias, dining halls, community rooms or buildings, appropriate recreational facilities, and other essential needs. In order to reach the goal of providing adequate housing at minimum cost, the construction financed with these loans will not be elaborate or extravagant in design or materials. To make these loans the bill would authorize the appropriation of \$50 million to establish a revolving fund.

The bill also authorizes credit assistance for individuals, corporations, trusts, or partnerships to provide rental housing and related facilities to elderly persons on farms and in rural nonfarm areas through the insurance of loans made by private lenders. Loans of this type would be insured by the Farmers Home Administration utilizing the agricultural credit insurance fund established under sections 308 and 309 of the Consolidated Farmers Home Administration Act of 1961. They would be limited to \$100,000 or the development cost or value of the security, whichever is least. The same procedures and authority used in the existing Bankhead-Jones program of mortgage insurance would be used in this new program. These loans should provide a further stimulant to helping meet the housing needs of elderly persons in rural areas.

The bill also would increase the grant limit under section 504(a) of the Housing Act of 1949 from \$500 to \$1,000. These grants are made

to low-income owner-occupants of rural homes to make repairs which are necessary to the health and safety of the occupants or of the community. Such repairs include items such as window screens, roof maintenance, and the repair and installation of sanitary toilet facilities and other measures needed to insure a sanitary water supply. The increase to a \$1,000 maximum grant will be of special benefit to the elderly citizens whose health and safety requirements are especially exacting but who no longer have the capacity to repay a loan. When grants were first authorized in 1949, \$500 was considered to be sufficient to cover the cost of such repairs that could properly be financed with grants. Today in many cases, especially where owners are elderly and physically no longer able to do the repair work, the need for this type of financial assistance exceeds the current \$500 limit. There would be no increase in the total amount to be appropriated for these grants each year under existing legislation but the \$1,000 limit would more effectively meet the urgent housing repair needs of families that do not have sufficient income to repay a loan.

#### SECTION-BY-SECTION SUMMARY OF H.R. 12628

##### *Short title*

The first section provides that the bill may be cited by its short title—the “Senior Citizens Housing Act of 1962.”

##### *Section 2. Statement of findings*

This section, citing the special problems faced by our older citizens in meeting their growing needs for suitable housing, sets forth the congressional finding that the present HHFA programs of housing for the elderly have proven the value of Federal credit assistance in this field and at the same time demonstrated the urgent need for an expanded and more comprehensive effort.

##### *Section 3. Housing for the elderly (program administered by HHFA)*

This section amends section 202 of the Housing Act of 1959—the existing program of low-interest direct loans to provide rental housing for the elderly.

Subsection (a) amends section 202 of the 1959 act to increase the total amount authorized to be appropriated for loans thereunder by \$100 million (from \$125 million to \$225 million).

Subsection (b) amends section 202 to provide that loans thereunder may be made only for the construction of new housing (and related facilities), and not for rehabilitation of existing structures.

##### *Section 4. Housing for the elderly (program to be administered by Secretary of Agriculture)*

This section contains amendments to title V of the Housing Act of 1949 which are designed to assist in various ways in providing suitable housing for the elderly in rural areas.

Subsection (a) broadens the existing rural housing loan program in section 502 of the 1949 act to authorize the Secretary of Agriculture (through the Farmers Home Administration) to make loans to elderly persons (those who are 62 or over) for the purchase of existing homes or the construction, improvement, alteration, or repair of dwellings and related facilities in rural areas for their own use, including the purchase of the land necessary as a minimum adequate site for such dwellings. (Loans cannot be used to purchase existing homes or building sites



under the present program.) Cosigners would be permitted in the case of elderly applicants who are deficient in repayment ability. The amount presently authorized to finance section 502 loans would be increased by \$50 million, all of which would be earmarked for loans to elderly persons under the expanded program.

Subsection (b) adds a new section 515 to title V of the 1949 act. Subsection (a) of the new section 515 establishes a program of direct loans by the Secretary of Agriculture to private nonprofit corporations and consumer cooperatives for the provision of rental housing and related facilities for elderly persons and elderly families of low or moderate income in rural farm and nonfarm areas. (Elderly persons are those 62 or over; elderly families are those the head of which (or his spouse) is 62 or over.) Terms would conform substantially to those applicable to the regular section 502 loans, except that (1) the new loans could include the cost of the land as well as structures thereon, (2) the interest rate would be comparable to the rate applicable under the program of rental housing for the elderly under section 202 of the Housing Act of 1959 (presently 3½ percent), and (3) the new loans could have 50-year maturities. These loans would be made from a newly established revolving fund, to which appropriations of \$50 million are authorized by the bill.

Under the new direct loan program (and the new insured loan program discussed below), construction would have to be done in an economical manner and could not entail elaborate or extravagant design or materials, and the loans involved could cover existing housing (as well as new housing) if it is rehabilitated or modified so as to be suitable for use by the elderly. Related facilities which could be covered include cafeterias and dining halls, community rooms and buildings, recreation facilities, and other essential service facilities.

Subsection (b) of section 515 establishes a new program under which the Secretary (until June 30, 1964) would insure loans made to individuals, corporations, and other entities to provide rental housing and related facilities for elderly persons and families in rural farm and nonfarm areas. Terms would conform substantially to those applicable to the regular section 502 loans, except that (1) any loan insured under the new program would be limited to \$100,000 (or the development cost or value of security, if less); (2) the interest rate would be determined by the Secretary subject to the same maximum rate (6 percent) applicable under the FHA section 203 residential mortgage insurance program; (3) maturities would be within the discretion of the Secretary, and (4) the same insurance fund, authority, and procedures would be used for these new insured loans (including the authority to accumulate an interim loan portfolio not to exceed \$10 million) as are already in use for other insured loans under the Consolidated Farmers Home Administration Act of 1961.

Subsection (c) of this section of the bill (in addition to making several technical and conforming amendments) increases from \$500 to \$1,000 the maximum amount of a grant for minor improvements to rural housing under section 504(a) of the 1949 act, which authorizes grants to owner-occupants whose incomes are so low that they cannot qualify for loans from any source (including the sec. 502 program) for improvements which are necessary to their health and safety or that of the community.



## CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

## SECTION 202 OF THE HOUSING ACT OF 1959

## LOAN PROGRAM

SEC. 202. (a)(1) The purpose of this section is to assist private nonprofit corporations, consumer cooperatives, or public bodies or agencies to provide housing and related facilities for elderly families and elderly persons.

(2) In order to carry out the purpose of this section, the Administrator may make loans to any corporation (as defined in subsection (d)(2)), to any consumer cooperative, or to any public body or agency for the provision of rental or cooperative housing and related facilities for elderly families and elderly persons, except that (A) no such loan shall be made unless the applicant shows that it is unable to secure the necessary funds from other sources upon terms and conditions equally as favorable as the terms and conditions applicable to loans under this section, (B) no such loan shall be made unless the Administrator finds that the construction will be undertaken in an economical manner and that it will not be of elaborate or extravagant design or materials, and (C) no such loan shall be made to a public body or agency unless it certifies that it is not receiving financial assistance from the United States exclusively pursuant to the United States Housing Act of 1937.

(3) A loan under this section may be in an amount not exceeding the total development cost (as defined in subsection (d)(3)), as determined by the Administrator; shall be secured in such manner and be repaid within such period, not exceeding fifty years, as may be determined by him; and shall bear interest in a rate determined by him which shall be not more than the higher of (A) 2¾ per centum per annum, of (B) the total of one-quarter of 1 per centum added to the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the fiscal year next preceding the date on which the loan is made and adjusted to the nearest one-eighth of 1 per centum.

(4) There is authorized to be appropriated not to exceed **[\$125,000,-000]** *\$225,000,000* which shall constitute a revolving fund to be used by the Administrator in carrying out this section.

(b) In the performance of, and with respect to, the functions, powers, and duties vested in him by this section the Administrator shall (in addition to any authority otherwise vested in him) have the functions, powers, and duties set forth in section 402 (except subsection (c)(2)) of the Housing Act of 1950.

(c)(1) Housing constructed with a loan made under this section shall not be used for transient or hotel purposes while such loan is outstanding.

(2) As used in paragraph (1), the term "transient or hotel purposes" shall have such meaning as may be prescribed by the Adminis-

trator, but rental for any period less than thirty days shall in any event constitute use for such purposes. The provisions of subsections (f) through (j) of section 513 of the National Housing Act (as added by section 132 of the Housing Act of 1954) shall apply in the case of violations of paragraph (1) as though the housing described in such subsection were multifamily housing (as defined in section 513(e)(2) of the National Housing Act) with respect to which a mortgage is insured under such Act, except that for purposes of this subsection the Administrator shall perform the functions vested in the Commissioner by such section 513.

(3) The Administrator shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors and subcontractors in the construction of housing assisted under this section shall be paid wages at rates not less than those prevailing in the locality involved for the corresponding classes of laborers and mechanics employed on construction of a similar character, as determined by the Secretary of Labor in accordance with the Act of March 3, 1931, as amended (the Davis-Bacon Act); but the Administrator may waive the application of this paragraph in cases or classes of cases where laborers or mechanics, not otherwise employed at any time in the construction of such housing, voluntarily donate their services without full compensation for the purpose of lowering the costs of construction and the Administrator determines that any amounts saved thereby are fully credited to the corporation, cooperative, or public body or agency undertaking the construction.

(d) As used in this section—

(1) The term “housing” means [A] new structures suitable for dwelling use by elderly families and new structures suitable for such use by one or more elderly persons [, and (B) dwelling facilities provided by rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for proposed dwelling use by such families and persons].

(2) The term “corporation” means any incorporated private institution or foundation no part of the net earnings of which inures to the benefit of any private shareholder, contributor, or individual, if such institution or foundation is approved by the Administrator as to financial responsibility.

(3) The term “development cost” means costs of construction of housing and of other related facilities, and of the land on which it is located, including necessary site improvement.

(4) The term “elderly families” means families the head of which (or his spouse) is sixty-two years of age or over; and the term “elderly persons” means persons who are sixty-two years of age or over. The Administrator shall prescribe such regulations as may be necessary to prevent abuses in determining, under the definitions contained in this paragraph, the eligibility of families and persons for admission to and occupancy of housing constructed with assistance under this section.

(5) The term “State” includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the possessions of the United States.

(6) The term “Administrator” means the Housing and Home Finance Administrator.



(7) The term "construction" means erection of new structures[, or rehabilitation, alteration, conversion, or improvement of existing structures].

(8) The term "related facilities" means [A] new structures suitable for use as cafeterias or dining halls, community rooms or buildings, or infirmaries or other inpatient or outpatient health facilities, or for other essential service facilities], and (B) structures suitable for the above uses provided by rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for such uses].

(e) Nothing in this section or in regulations promulgated under this section shall prevent a corporation or consumer cooperative from obtaining a loan under this section for the provision of housing and related facilities for elderly families and elderly persons, notwithstanding the fact that such corporation or cooperative has theretofore obtained a commitment from the Federal Housing Administration for mortgage insurance under section 231 of the National Housing Act with respect to the housing involved, if (1) such corporation or cooperative is otherwise eligible for such loan under this section, (2) such commitment was obtained prior to the date of enactment of the Housing Act of 1961, and (3) the Administrator determines that the financing of such housing through a loan under this section rather than through mortgage insurance under such section 231 is necessary or desirable in order to avoid hardship for the elderly families and elderly persons who are the prospective tenants of such housing.

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## HOUSING ACT OF 1949

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### TITLE V—FARM HOUSING

#### FINANCIAL ASSISTANCE BY THE SECRETARY OF AGRICULTURE

SEC. 501. (a) The Secretary of Agriculture (hereinafter referred to as the "Secretary") is authorized, subject to the terms and conditions of this title, to extend financial assistance, through the Farmers Home Administration, (1) to owners of farms in the United States and in Puerto Rico and the Virgin Islands, to enable them to construct, improve, alter, repair, or replace dwellings and other farm buildings on their farms, to provide them, their tenants, lessees, sharecroppers, and laborers with decent, safe, and sanitary living conditions and adequate farm buildings as specified in this title, and (2) to owners of other real estate in rural areas to enable them to provide dwellings and related facilities for their own use and buildings adequate for their farming operations [.] *and (3) to elderly persons who are or will be the owners of land in rural areas for the construction, improvement, alteration, or repair of dwellings and related facilities, the purchase of previously occupied dwellings and related facilities and the purchase of land constituting a minimum adequate site, in order to provide them with adequate dwellings and related facilities for their own use.*

(b)(1) For the purpose of this title, the term "farm" shall mean a parcel or parcels of land operated as a single unit which is used for



the production of one or more agricultural commodities and which customarily produces or is capable of producing such commodities for sale and for home use of a gross annual value of not less than the equivalent of a gross annual value of \$400 in 1944, as determined by the Secretary. The Secretary shall promptly determine whether any parcel or parcels of land constitute a farm for the purposes of this title whenever requested to do so by any interested Federal, State, or local public agency, and his determination shall be conclusive.

(2) For the purposes of this title, the terms "owner" "farms", and "mortgage" shall be deemed to include, respectively, the lessee of, the land included in, and other security interest in, any leasehold interest which the Secretary determines has an unexpired term (A) in the case of a loan, for a period sufficiently beyond the repayment period of the loan to provide adequate security and a reasonable probability of accomplishing the objectives for which the loan is made, and (B) in the case of a grant for a period sufficient to accomplish the objectives for which the grant is made.

(3) *For the purposes of this title, the term "elderly persons" means persons who are 62 years of age or over.*

(c) In order to be eligible for the assistance authorized by paragraph (a), the applicant must show (1) that he is the owner of a farm which is without a decent, safe, and sanitary dwelling for himself and his family and necessary resident farm labor, or for the family of the operating tenant, lessee, or sharecropper, or without other farm buildings adequate for the type of farming in which he engages or desires to engage, or that he is the owner of other real estate in a rural area without an adequate dwelling or related facilities for his own use or buildings adequate for his farming operations, *or that he is an elderly person in a rural area without an adequate dwelling or related facilities for his own use;* (2) that he is without sufficient resources to provide the necessary housing and buildings on his own account; and (3) that he is unable to secure the credit necessary for such housing and buildings from other sources upon terms and conditions which he could reasonably be expected to fulfill.

(d) As used in this title (except in sections 503 and 504(b)), the terms "farm," "farm dwelling," and "farm housing" shall include dwellings or other essential buildings of eligible applicants.

#### LOANS FOR HOUSING AND BUILDINGS ON ADEQUATE FARMS

SEC. 502. (a) If the Secretary determines that an applicant is eligible for assistance as provided in section 501 and that the applicant has the ability to repay in full the sum to be loaned, with interest, giving due consideration to the income and earning capacity of the applicant and his family from the farm and other sources, and the maintenance of a reasonable standard of living for the owner and the occupants of said farm, a loan may be made by the Secretary to said applicant for a period of not to exceed thirty-three years from the making of the loan with interest at a rate not to exceed 4 per centum per annum on the unpaid balance of principal. *In cases of applicants who are elderly persons, the Secretary may accept the personal liability of any person with adequate repayment ability who will cosign the applicant's note to compensate for any deficiency in the applicant's repayment ability.*

(b) The instruments under which the loan is made and the security given shall—

(1) provide for security upon the applicant's equity in the farm or such other security or collateral, if any, as may be found necessary by the Secretary reasonably to assure repayment of the indebtedness;

(2) provide for the repayment of principal and interest in accordance with schedules and repayment plans prescribed by the Secretary;

(3) contain the agreement of the borrower that he will, at the request of the Secretary, proceed with diligence to refinance the balance of the indebtedness through cooperative or other responsible private credit sources whenever the Secretary determines, in the light of the borrower's circumstances, including his earning capacity and the income from the farm, that he is able to do so upon reasonable terms and conditions;

(4) be in such form and contain such covenants as the Secretary shall prescribe to secure the payment of the loan with interest, protect the security, and assure that the farm will be maintained in repair and that waste and exhaustion of the farm will be prevented.

#### LOANS FOR HOUSING AND BUILDINGS ON POTENTIALLY ADEQUATE FARMS

SEC. 503. If the Secretary determines (a) that, because of the inadequacy of the income of an eligible applicant from the farm to be improved and from other sources, said applicant may not reasonably be expected to make annual repayments of principal and interest in an amount sufficient to repay the loan in full within the period of time prescribed by the Secretary as authorized in this title; (b) that the income of the applicant may be sufficiently increased within a period of not to exceed five years by improvement or enlargement of the farm or an adjustment of the farm practices or methods; and (c) that the applicant has adopted and may reasonably be expected to put into effect a plan of farm improvement, enlargement, or adjusted practices or production which, in the opinion of the Secretary, will increase the applicant's income from said farm within a period of not to exceed five years to the extent that the applicant may be expected thereafter to make annual repayments of principal and interest sufficient to repay the balance of the indebtedness less payments in cash and credits for the contributions to be made by the Secretary as hereinafter provided, the Secretary may make a loan in an amount necessary to provide adequate farm dwellings and buildings on said farm under the terms and conditions prescribed in section 502. In addition, the Secretary may agree with the borrower to make annual contributions during the said five-year period in the form of credits on the borrower's indebtedness in an amount not to exceed the annual installment of interest and 50 per centum of the principal payments accruing during any installment year up to and including the fifth installment year, subject to the conditions that the borrower's income is, in fact, insufficient to enable the borrower to make payments in accordance with the plan or schedule prescribed by the Secretary and that the borrower pursues his plan of farm reorganization and improvements or enlargement with due diligence.



This agreement with respect to credits or principal and interest upon the borrower's indebtedness shall not be assignable nor accrue to the benefit of any third party without the written consent of the Secretary and the Secretary shall have the right, at his option, to cancel the agreement upon the sale of the farm or the execution or creation of any lien thereon subsequent to the lien given to the Secretary, or to refuse to release the lien given to the Secretary except upon payment in cash of the entire original principal plus accrued interest thereon less actual cash payments of principal and interest when the Secretary determines that the release of the lien would permit the benefits of this section to accrue to a person not eligible to receive such benefits.

OTHER SPECIAL LOANS AND GRANTS FOR MINOR IMPROVEMENTS  
TO FARM HOUSING AND BUILDINGS

SEC. 504. (a) In the event the Secretary determines that an eligible applicant cannot qualify for a loan under the provisions of sections 502 and 503 and that repairs or improvements should be made to a farm dwelling occupied by him, in order to make such dwelling safe and sanitary and remove hazards to the health of the occupant, his family, or the community, and that repairs should be made to farm buildings in order to remove hazards and make such buildings safe, the Secretary may make a grant or a combined loan and grant, to the applicant to cover the cost of improvements or additions, such as repairing roofs, providing toilet facilities, providing a convenient and sanitary water supply, supplying screens, repairing or providing structural supports, or making other similar repairs or improvements. No assistance shall be extended to any one individual under this subsection [(1) in the form of a loan, or combined loan and grant, in excess of \$1,000, or (2) in the form of a grant (whether or not combined with a loan) in excess of \$500] *in the form of a loan, grant, or combined loan and grant in excess of \$1,000.* Any portion of the sums advanced to the borrower treated as a loan shall be secured and be repayable in accordance with the principles and conditions set forth in this title. Sums made available by grant may be made subject to the conditions set out in this title for the protection of the Government with respect to contributions made on loans by the Secretary.

(b) In order to encourage adequate family-size farms the Secretary may make loans under this section and section 503 to any applicant whose farm needs enlargement or development in order to provide income sufficient to support decent, safe, and sanitary housing and other farm buildings, and may use the funds made available under clause (b) of section 513 for such purposes.

MORATORIUM ON PAYMENTS UNDER LOANS

SEC. 505. During any time that any such loan is outstanding, the Secretary is authorized under regulations to be prescribed by him to grant a moratorium upon the payment of interest and principal on such loan for so long a period as he deems necessary, upon a showing by the grower that due to circumstances beyond his control, he is unable to continue making payments of such principal and interest when due without unduly impairing his standard of living. In cases of extreme hardship under the foregoing circumstances, the Secretary



is further authorized to cancel interest due and payable on such loans during the moratorium. Should any foreclosure of such a mortgage securing such a loan upon which a moratorium has been granted occur, no deficiency judgment shall be taken against the mortgagor if he shall have faithfully tried to meet his obligation.

#### TECHNICAL SERVICES AND RESEARCH

SEC. 506. (a) In connection with financial assistance authorized in sections 501 to 504, inclusive, and [section 514] *sections 514 and 515*, the Secretary shall require that all new buildings and repairs financed under this title shall be substantially constructed and in accordance with such building plans and specifications as may be required by the Secretary. Buildings and repairs constructed with funds advanced pursuant to this title shall be supervised and inspected, as may be required by the Secretary, by competent employees of the Secretary. In addition to the financial assistance authorized in sections 501 to 504, inclusive, and [section 514] *sections 514 and 515*, the Secretary is authorized to furnish, through such agencies as he may determine, to any person, including a person eligible for financial assistance under this title, without charge or at such charges as the Secretary may determine, technical services such as building plans, specifications, construction supervision and inspection, and advice and information regarding farm dwellings and other buildings.

(b) The Secretary is further authorized to conduct research and technical studies including the development, demonstration, and promotion of construction of adequate farm dwellings and other buildings for the purpose of stimulating construction, improving the architectural design and utility of such dwellings and buildings, and utilizing new and native materials, economies in materials and construction methods, and new methods of production, distribution, assembly, and construction, with a view to reducing the cost of farm dwellings and buildings and adapting and developing fixtures and appurtenances for more efficient and economical farm use.

(c) The Secretary is further authorized to carry out a program of research, study, and analysis of farm housing in the United States to develop data and information on—

- (1) the adequacy of existing farm housing;
- (2) the nature and extent of current and prospective needs for farm housing, including needs for financing and for improved design, utility, and comfort, and the best methods of satisfying such needs;
- (3) problems faced by farmers and other persons eligible under section 501 in purchasing, constructing, improving, altering, repairing, and replacing farm housing;
- (4) the interrelation of farm housing problems and the problems of housing in urban and suburban areas; and
- (5) any other matters bearing upon the provision of adequate farm housing.

(d) To the extent determined by him to be advisable, the Secretary may carry out the research and study programs authorized by subsections (b) and (c) through grants made by him on such terms, conditions, and standards as he may prescribe to land-grant colleges established pursuant to the Act of July 2, 1862 (7 U.S.C. 301-308) or through such other agencies as he may select.

(e) The Secretary of Agriculture shall prepare and submit to the President and to the Congress estimates of national farm housing needs and reports with respect to the progress being made toward meeting such needs, and correlate and recommend proposals for such executive action or legislation necessary or desirable for the furtherance of the national housing objective and policy established by this Act with respect to farm housing, together with such other reports or information as may be required of the Secretary by the President or the Congress.

#### PREFERENCES FOR VETERANS AND FAMILIES OF DECEASED SERVICEMEN

SEC. 507. As between eligible applicants seeking assistance under sections 501 and 504, inclusive, the Secretary shall give preference to veterans and the families of deceased servicemen. As used herein, a "veteran" shall mean a person who served in the military forces of the United States during any war between the United States and any other nation or during the period beginning June 27, 1950, and ending on such date as shall be determined by Presidential proclamation or concurrent resolution of Congress and who was discharged or released therefrom on conditions other than dishonorable. "Deceased servicemen" shall mean persons who served in the military forces of the United States during any war between the United States and any other nation or during the period beginning June 27, 1950, and ending on such date as shall be determined by Presidential proclamation or concurrent resolution of Congress and who died in service before the termination of such war or such period.

#### LOCAL COMMITTEES TO ASSIST SECRETARY

SEC. 508. (a) For the purposes of this subsection and subsection (b) of this section, the Secretary may use the services of any existing committee of farmers operating (pursuant to laws or regulations carried out by the Department of Agriculture) in any county or parish in which activities are carried on under this title. In any county or parish in which activities are carried on under this title and in which no existing satisfactory committee is available, the Secretary is authorized to appoint a committee composed of three persons residing in the county or parish. Each member of such existing or newly appointed committee shall be allowed compensation at the rate determined by the Secretary while engaged in the performance of duties under this title and, in addition, shall be allowed such amounts as the Secretary may prescribe for necessary traveling and subsistence expenses. One member of the committee shall be designated by the Secretary as chairman. The Secretary shall prescribe rules governing the procedures of the committees, furnish forms and equipment necessary for the performance of their duties, and authorize and provide for the compensation of such clerical assistance as he deems may be required by any committee.

(b) The committees utilized or appointed pursuant to this section shall examine applications of persons desiring to obtain the benefits of this title and shall submit recommendations to the Secretary with respect to each applicant as to whether the applicant is eligible to receive the benefits of this title, whether by reason of his character,



ability, and experience, he is likely successfully to carry out undertakings required of him under a loan or grant under this title, and whether the farm with respect to which the application is made is of such character that there is a reasonable likelihood that the making of the loan or grant requested will carry out the purposes of this title. The committees shall also certify to the Secretary as to the amount of the loan or grant. The committees shall, in addition, perform such other duties under this title as the Secretary may require.

#### GENERAL POWERS OF SECRETARY

SEC. 509. (a) The Secretary, for the purposes of this title, shall have the power to determine and prescribe the standards of adequate farm housing and other buildings, by farms or localities, taking into consideration, among other factors, the type of housing which will provide decent, safe, and sanitary dwelling for the needs of the family using the housing, the type and character of the farming operations to be conducted, and the size and earning capacity of the land.

(b) The Secretary may require any recipient of a loan or grant to agree that the availability of improvements constructed or repaired with the proceeds of the loan or grant under this title shall not be a justification for directly or indirectly changing the terms or conditions of the lease or occupancy agreement with the occupants of such farms to the latter's disadvantage without the approval of the Secretary.

#### ADMINISTRATIVE PROVISIONS

SEC. 510. In carrying out the provisions of this title, the Secretary shall have the power to—

(a) make contracts for services and supplies without regard to the provisions of section 3709 of the Revised Statutes, as amended, when the aggregate amount involved is less than \$300;

(b) enter into subordination, subrogation, or other agreements satisfactory to the Secretary;

(c) compromise claims and obligations arising out of sections 502 to 505, inclusive, of this title and adjust and modify the terms of mortgages, leases, contracts, and agreements entered into as circumstances may require, including the release from personal liability, without payments of further consideration, of—

(1) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume the outstanding indebtedness to the Secretary under this title; and

(2) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume that portion of the outstanding indebtedness to the Secretary under this title which is equal to the earning capacity value of the farm at the time of the transfer, and borrowers whose farms have been acquired by the Secretary, in cases where the Secretary determines that the original borrowers have cooperated in good faith with the Secretary, have farmed in a workmanlike manner, used due diligence to maintain the security against loss, and otherwise fulfilled the covenants incident to their loans, to the best of their abilities;



(d) collect all claims and obligations arising out of or under any mortgage, lease, contract, or agreement entered into pursuant to this title and, if in his judgment necessary and advisable, to pursue the same to final collection in any court having jurisdiction: *Provided*, That the prosecution and defense of all litigation under this title shall be conducted under the supervision of the Attorney General and the legal representation shall be by the United States attorneys for the districts, respectively, in which such litigation may arise and by such other attorney or attorneys as may, under law, be designated by the Attorney General;

(e) bid for and purchase at any foreclosure or other sale or otherwise to acquire the property pledged or mortgaged to secure a loan or other indebtedness owing under this title, to accept title to any property so purchased or acquired, to operate or lease such property for such period as may be necessary or advisable, to protect the interest of the United States therein and to sell or otherwise dispose of the property so purchased or acquired by such terms and for such considerations as the Secretary shall determine to be reasonable and to make loans as provided herein to provide adequate farm dwellings and buildings for the purchasers of such property;

(f) utilize with respect to the indebtedness arising from loans and payments made under this title, all the powers and authorities given to him under the Act approved December 20, 1944, entitled "An Act to authorize the Secretary of Agriculture to compromise, adjust, or cancel certain indebtedness, and for other purposes" (58 Stat. 836), as such Act now provides or may hereafter be amended;

(g) make such rules and regulations as he deems necessary to carry out the purposes of this title.

#### LOAN FUNDS

SEC. 511. The Secretary may issue notes and other obligations for purchase by the Secretary of the Treasury for the purpose of making loans under this title (other than loans under section 504(b) or 515(a)). The total principal amount of such notes and obligations issued pursuant to this section during the period beginning July 1, 1956, and ending June 30, 1965, shall not exceed **[\$650,000,000]** \$700,000,000, of which \$50,000,000 shall be available exclusively for assistance to elderly persons as provided in clause (3) of section 501(a). The notes and obligations issued by the Secretary shall be secured by the obligations of borrowers and the Secretary's commitments to make contributions under this title and shall be repaid from the payment of principal and interest on the obligations of the borrowers and from funds appropriated hereunder. The notes and other obligations issued by the Secretary shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes or obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or obligations by the Secretary. The Secretary of the

Treasury is authorized and directed to purchase any notes and other obligations of the Secretary issued hereunder and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or obligations shall be treated as public debt transactions of the United States.

#### CONTRIBUTIONS

SEC. 512. In connection with loans made pursuant to section 503, the Secretary is authorized to make commitments for contributions aggregating not to exceed \$10,000,000 during the period beginning July 1, 1956, and ending June 30, 1965.

SEC. 513. There is hereby authorized to be appropriated to the Secretary (a) such sums as may be necessary to meet payments on notes or other obligations issued by the Secretary under section 511 equal to (i) the aggregate of the contributions made by the Secretary in the form of credits on principal due on loans made pursuant to section 503, and (ii) the interest due on a similar sum represented by notes or other obligations issued by the Secretary; (b) not to exceed \$50,000,000 for grants pursuant to section 504(a) and loans pursuant to section 504(b) during the period beginning July 1, 1956, and ending June 30, 1965; (c) not to exceed \$250,000 per year for research and study programs pursuant to subsections (b), (c), and (d) of section 506 during the period beginning July 1, 1961, and ending June 30, 1965; and (d) such further sums as may be necessary to enable the Secretary to carry out the provisions of this title.

#### INSURANCE OF LOANS FOR THE PROVISION OF HOUSING AND RELATED FACILITIES FOR DOMESTIC FARM LABOR

SEC. 514. (a) The Secretary is authorized to insure and make commitments to insure loans made by lenders other than the United States to the owner of any farm, any association of farmers, any State or political subdivision thereof, or any public or private nonprofit organization for the purpose of providing housing and related facilities for domestic farm labor in accordance with terms and conditions substantially identical with those specified in section 502; except that—

(1) no such loan shall be insured in an amount in excess of the value of the farm involved less any prior liens in the case of a loan to an individual owner of a farm, or the total estimated value of the structures and facilities with respect to which the loan is made in the case of any other loan;

(2) no such loan shall be insured if it bears interest at a rate in excess of 5 per centum per annum;

(3) out of interest payments by the borrower the Secretary shall retain a charge in an amount not less than one-half of 1 per centum per annum of the unpaid principal balance of the loan;

(4) the insurance contracts and agreements with respect to any loan may contain provisions for servicing the loan by the



Secretary or by the lender, and for the purchase by the Secretary of the loan if it is not in default, on such terms and conditions as the Secretary may prescribe; and

(5) the Secretary may take mortgages creating a lien running to the United States for the benefit of the insurance fund referred to in subsection (b) notwithstanding the fact that the note may be held by the lender or his assignee.

(b) The Secretary shall utilize the insurance fund created by section 11 of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1005a) and the provisions of section 13 (a), (b), and (c) of such Act (7 U.S.C. 1005c (a), (b), and (c)) to discharge obligations under insurance contracts made pursuant to this section, and

(1) the Secretary may utilize the insurance fund to pay taxes, insurance, prior liens, and other expenses to protect the security for loans which have been insured hereunder and to acquire such security property at foreclosure sale or otherwise;

(2) the notes and security therefor acquired by the Secretary under insurance contracts made pursuant to this section shall become a part of the insurance fund. Loans insured under this section may be held in the fund and collected in accordance with their terms or may be sold and reinsured. All proceeds from such collections, including the liquidation of security and the proceeds of sales, shall become a part of the insurance fund; and

(3) of the charges retained by the Secretary out of interest payments by the borrower, amounts not less than one-half of 1 per centum per annum of the unpaid principal balance of the loan shall be deposited in and become a part of the insurance fund. The remainder of such charges shall be deposited in the Treasury of the United States and shall be available for administrative expenses of the Farmers Home Administration, to be transferred annually to and become merged with any appropriation for such expenses.

(c) Any contract of insurance executed by the Secretary under this section shall be an obligation of the United States and incontestable except for fraud or misrepresentation of which the holder of the contract has actual knowledge.

(d) The aggregate amount of the principal obligations of the loans insured under this section shall not exceed \$25,000,000 in any one fiscal year.

(e) Amounts made available pursuant to section 513 of this Act shall be available for administrative expenses incurred under this section.

(f) As used in this section—

(1) the term "housing" means (A) new structures suitable for dwelling use by domestic farm labor, and (B) existing structures which can be made suitable for dwelling use by domestic farm labor by rehabilitation, alteration, conversion, or improvement; and

(2) the term "related facilities" means (A) new structures suitable for use as dining halls, community rooms or buildings, or infirmaries, or for other essential services facilities, and (B) existing structures which can be made suitable for the above uses by rehabilitation, alteration, conversion, or improvement; and

(3) the term "domestic farm labor" means citizens of the



United States who receive a substantial portion (as determined by the Secretary) of their income as laborers on farms situated in the United States.

*DIRECT AND INSURED LOANS TO PROVIDE HOUSING AND RELATED FACILITIES FOR ELDERLY PERSONS AND FAMILIES IN RURAL AREAS*

*SEC. 515. (a) The Secretary is authorized to make loans to private nonprofit corporations and consumer cooperatives to provide rental housing and related facilities for elderly persons and elderly families of low or moderate income in rural areas, in accordance with terms and conditions substantially identical with those specified in section 502; except that—*

*(1) no such loan shall exceed the development cost or the value of the security, whichever is less;*

*(2) such loans shall bear interest at rates determined by the Secretary, not to exceed the maximum rate provided in section 202(a)(3) of the Housing Act of 1959; and*

*(3) such a loan may be made for a period of up to fifty years from the making of the loan.*

*There is authorized to be appropriated not to exceed \$50,000,000, which shall constitute a revolving fund to be used by the Secretary in carrying out this subsection.*

*(b) The Secretary is authorized to insure and make commitments to insure loans made to any individual, corporation, association, trust, or partnership to provide rental housing and related facilities for elderly persons and elderly families in rural areas, in accordance with terms and conditions substantially identical with those specified in section 502; except that—*

*(1) no such loan shall exceed \$100,000 or the development cost or the value of the security, whichever is least;*

*(2) such loans shall bear interest at rates determined by the Secretary, not to exceed the maximum rate provided in section 203(b)(5) of the National Housing Act;*

*(3) provide for complete amortization by periodic payments within such term as the Secretary may prescribe;*

*(4) for insuring such loans, the Secretary shall utilize the Agricultural Credit Insurance Fund subject to all the provisions of section 309 and the second and third sentences of section 308 of the Consolidated Farmers Home Administration Act of 1961, including the authority in section 309(f)(1) of that Act to utilize the insurance fund to make, sell, and insure loans which could be insured under this subsection; but the aggregate of the principal amounts of such loans made by the Secretary and not disposed of shall not exceed \$10,000,000 outstanding at any one time; and the Secretary may take liens running to the United States though the notes may be held by other lenders; and*

*(5) no loan shall be insured under this subsection after June 30, 1964.*

*(c) No loan shall be made or insured under subsection (a) or (b) unless the Secretary finds that the construction involved will be undertaken in an economical manner and will not be of elaborate or extravagant design or materials.*

(d) *As used in this section—*

(1) *the term “housing” means new or existing housing suitable for dwelling use by elderly persons or elderly families;*

(2) *the term “related facilities” includes cafeterias or dining halls, community rooms or buildings, appropriate recreation facilities, and other essential service facilities;*

(3) *the term “elderly persons” means persons who are 62 years of age or over; and the term “elderly families” means families the head of which (or his spouse) is 62 years of age or over; and*

(4) *the term “development cost” means the costs of constructing, purchasing, improving, altering, or repairing new or existing housing and related facilities and purchasing and improving the necessary land, including necessary and appropriate fees and charges approved by the Secretary.*

(e) *Amounts made available pursuant to section 513 of this Act shall be available for administrative expenses incurred under this section.*

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## PARAGRAPH (12) OF SECTION 5200 OF THE REVISED STATUTES

(12) Obligations insured by the Secretary of Agriculture pursuant to the Bankhead-Jones Farm Tenant Act, as amended, or the Act of August 28, 1937, as amended (relating to the conservation of water resources), or title V of the Housing Act of 1949, shall be subject under this section to a limitation of 15 per centum of such capital and surplus in addition to such 10 per centum of such capital and surplus.









Calendar No. 2015

87<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 12628

[Report No. 2049]

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IN THE SENATE OF THE UNITED STATES

AUGUST 28, 1962

Read twice and referred to the Committee on Banking and Currency

SEPTEMBER 13, 1962

Reported by Mr. SPARKMAN, without amendment

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## AN ACT

To provide additional funds under section 202 (a) (4) of the Housing Act of 1959, and to amend title V of the Housing Act of 1949, in order to provide low and moderate cost housing, both urban and rural, for the elderly.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*  
3        That this Act may be cited as the "Senior Citizens Housing  
4        Act of 1962".

5        SEC. 2. The Congress finds that there is a large and  
6        growing need for suitable housing for older people both  
7        in urban and rural areas. Our older citizens face special  
8        problems in meeting their housing needs because of the  
9        prevalence of modest and limited incomes among the elderly,



1 their difficulty in obtaining liberal long-term home mortgage  
2 credit, and their need for housing planned and designed  
3 to include features necessary to the safety and convenience  
4 of the occupants in a suitable neighborhood environment.  
5 The Congress further finds that the present programs for  
6 housing the elderly under the Housing and Home Finance  
7 Agency have proven the value of Federal credit assistance  
8 in this field and at the same time demonstrated the urgent  
9 need for an expanded and more comprehensive effort to  
10 meet our responsibilities to our senior citizens.

11 SEC. 3. (a) Section 202 (a) (4) of the Housing Act of  
12 1959 is amended by striking out “\$125,000,000” and insert-  
13 ing in lieu thereof “\$225,000,000”.

14 (b) Effective with respect to applications for loans  
15 under section 202 of the Housing Act of 1959 made after the  
16 date of the enactment of this Act—

17 (1) section 202 (d) (1) of such Act is amended by  
18 striking out “(A)”, and by striking “, and (B)” and  
19 all that follows and inserting in lieu thereof a period;

20 (2) section 202 (d) (7) of such Act is amended by  
21 striking out all that follows “new structures” and insert-  
22 ing in lieu thereof a period; and

23 (3) section 202 (d) (8) of such Act is amended by  
24 striking out “(A)”, and by striking out “, and (B)”  
25 and all that follows and inserting in lieu thereof a period.

1        SEC. 4. (a) (1) Section 501 of the Housing Act of 1949  
2    is amended—

3        (A) by striking out the period at the end of sub-  
4        section (a) and inserting in lieu thereof the following:  
5        “, and (3) to elderly persons who are or will be the  
6        owners of land in rural areas for the construction, im-  
7        provement, alteration, or repair of dwellings and related  
8        facilities, the purchase of previously occupied dwellings  
9        and related facilities and the purchase of land constitut-  
10      ing a minimum adequate site, in order to provide them  
11      with adequate dwellings and related facilities for their  
12      own use.”;

13      (B) by inserting at the end of subsection (b) the  
14      following new paragraph:

15      “(3) For the purposes of this title, the term ‘elderly  
16      persons’ means persons who are 62 years of age or over.”;  
17      and

18      (C) by inserting immediately before the semicolon  
19      at the end of clause (1) of subsection (c) the following:  
20      “, or that he is an elderly person in a rural area without  
21      an adequate dwelling or related facilities for his own  
22      use”.

23      (2) Section 502 (a) of such Act is amended by adding  
24      at the end thereof the following new sentence: “In cases of  
25      applicants who are elderly persons, the Secretary may accept

1 the personal liability of any person with adequate repay-  
2 ment ability who will cosign the applicant's note to compen-  
3 sate for any deficiency in the applicant's repayment ability."

4 (b) Title V of the Housing Act of 1949 is amended  
5 by adding at the end thereof the following new section:

6 "DIRECT AND INSURED LOANS TO PROVIDE HOUSING AND  
7 RELATED FACILITIES FOR ELDERLY PERSONS AND  
8 FAMILIES IN RURAL AREAS

9 "SEC. 515. (a) The Secretary is authorized to make  
10 loans to private nonprofit corporations and consumer coop-  
11 eratives to provide rental housing and related facilities for  
12 elderly persons and elderly families of low or moderate  
13 income in rural areas, in accordance with terms and condi-  
14 tions substantially identical with those specified in section  
15 502; except that—

16 " (1) no such loan shall exceed the development  
17 cost or the value of the security, whichever is less;

18 " (2) such loans shall bear interest at rates deter-  
19 mined by the Secretary, not to exceed the maximum  
20 rate provided in section 202 (a) (3) of the Housing Act  
21 of 1959; and

22 " (3) such a loan may be made for a period of up  
23 to fifty years from the making of the loan.

24 There is authorized to be appropriated not to exceed



1 \$50,000,000, which shall constitute a revolving fund to be  
2 used by the Secretary in carrying out this subsection.

3 “(b) The Secretary is authorized to insure and make  
4 commitments to insure loans made to any individual, cor-  
5 poration, association, trust, or partnership to provide rental  
6 housing and related facilities for elderly persons and elderly  
7 families in rural areas, in accordance with terms and condi-  
8 tions substantially identical with those specified in section  
9 502; except that—

10 “(1) no such loan shall exceed \$100,000 or the  
11 development cost or the value of the security, which-  
12 ever is least;

13 “(2) such loans shall bear interest at rates deter-  
14 mined by the Secretary, not to exceed the maximum rate  
15 provided in section 203 (b) (5) of the National Housing  
16 Act;

17 “(3) provide for complete amortization by periodic  
18 payments within such term as the Secretary may pre-  
19 scribe;

20 “(4) for insuring such loans, the Secretary shall  
21 utilize the Agricultural Credit Insurance Fund subject to  
22 all the provisions of section 309 and the second and third  
23 sentences of section 308 of the Consolidated Farmers

Home Administration Act of 1961, including the authority in section 309 (f) (1) of that Act to utilize the insurance fund to make, sell, and insure loans which could be insured under this subsection; but the aggregate of the principal amounts of such loans made by the Secretary and not disposed of shall not exceed \$10,000,000 outstanding at any one time; and the Secretary may take liens running to the United States though the notes may be held by other lenders; and

“(5) no loan shall be insured under this subsection after June 30, 1964.

“(c) No loan shall be made or insured under subsection (a) or (b) unless the Secretary finds that the construction involved will be undertaken in an economical manner and will not be of elaborate or extravagant design or materials.

“(d) As used in this section—

“(1) the term ‘housing’ means new or existing housing suitable for dwelling use by elderly persons or elderly families;

“(2) the term ‘related facilities’ includes cafeterias or dining halls, community rooms or buildings, appropriate recreation facilities, and other essential service facilities;

“(3) the term ‘elderly persons’ means persons who

1 are 62 years of age or over; and the term ‘elderly fami-  
2 lies’ means families the head of which (or his spouse)  
3 is 62 years of age or over; and

4 “(4) the term ‘development cost’ means the costs  
5 of constructing, purchasing, improving, altering, or re-  
6 pairing new or existing housing and related facilities  
7 and purchasing and improving the necessary land, in-  
8 cluding necessary and appropriate fees and charges ap-  
9 proved by the Secretary.

10 “(e) Amounts made available pursuant to section 513  
11 of this Act shall be available for administrative expenses  
12 incurred under this section.”

13 (c) (1) Section 511 of the Housing Act of 1949 is  
14 amended—

15 (A) by striking out “section 504 (b)” and insert-  
16 ing in lieu thereof “section 504 (b) or 515 (a)”; and

17 (B) by striking out “\$650,000,000” and inserting  
18 in lieu thereof “\$700,000,000, of which \$50,000,000  
19 shall be available exclusively for assistance to elderly  
20 persons as provided in clause (3) of section 501 (a)”.

21 (2) Section 506 (a) of such Act is amended by striking  
22 out “section 514” each place it appears and inserting in lieu  
23 thereof “sections 514 and 515”.

24 (3) Section 504 (a) of such Act is amended by striking  
25 out “(1) in the form of a loan, or combined loan and grant,



1 in excess of \$1,000, or (2) in the form of a grant (whether  
2 or not combined with a loan) in excess of \$500” and insert-  
3 ing in lieu thereof “in the form of a loan, grant, or combined  
4 loan and grant in excess of \$1,000”.

5 (4) Paragraph (12) of section 5200 of the Revised  
6 Statutes (12 U.S.C. 84) is amended by inserting “or title V  
7 of the Housing Act of 1949,” immediately before “shall be  
8 subject under this section”.

Passed the House of Representatives August 27, 1962.

Attest:

RALPH R. ROBERTS,

*Clerk.*









[Report No. 2049]

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# AN ACT

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To provide additional funds under section 202 (a) (4) of the Housing Act of 1959, and to amend title V of the Housing Act of 1949, in order to provide low and moderate cost housing, both urban and rural, for the elderly.

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AUGUST 28, 1962

Read twice and referred to the Committee on  
Banking and Currency

SEPTEMBER 13, 1962

Reported without amendment







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

(For information only;  
should not be quoted  
or cited)

Issued Sept. 19, 1962  
For actions of Sept. 18, 1962  
87th-2d, No. 168

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| Imports.....           | 22,23,25 |
| Lands.....             | 5,11     |

HIGHLIGHTS: House began consideration of conference report on agricultural appropriation bill. Senate continued debate on foreign trade bill. Senate passed bill for housing for elderly in rural areas. Sen. Hartke inserted Secretary Hodges' speech supporting foreign trade bill. House agreed to conference report on independent offices appropriation bill, and insisted on disagreement to certain amendments. House committee reported foreign aid appropriation bill. House passed bill to increase FHA loan authorization. House began debate on bill to provide for cooperation with States in administration of agricultural laws.

## SENATE

FOREIGN TRADE. Continued debate on H. R. 11970, the proposed Trade Expansion Act of 1962. pp. 18652-65, 18667-9, 18671-737

### Agreed to the following amendments:

By Sen. Smathers, which he stated was a "technical corrective amendment" to strike out language regarding reimbursement to States for payments of adjustment assistance to unemployed workers. p. 18685

By Sen. Pell, to provide that Tariff Commission studies of the effects of foreign competition on domestic industry shall include studies of real wages paid in foreign countries. pp. 18686-7

By Sen. Bartlett, to authorize the President to increase the rate of duty on imported fish when he determines that other countries have failed or refused to enter into negotiations for the conservation of fishery resources. pp. 18728-9

Rejected the following amendments:

By Sen. Bush, by a vote of 38 to 40, to restrict the President's tariff-cutting powers by restoring to the bill the peril point provisions of existing law (pp. 18652-72). Agreed to, by a vote of 40 to 39, a motion by Sen. Mansfield to table a motion by Sen. Dirksen to reconsider the vote by which the amendment was rejected (pp. 18672-3).

By Sen. Curtis, by a vote of 13 to 65, to establish a special Congressional committee to review and pass on trade agreements entered into by the President. pp. 18673-6

By Sen. Curtis, by a vote of 23 to 58, to strike out provisions of the bill to provide for assistance to workers and to firms who suffer from the effects of imports. pp. 18687-92

By Sen. Byrd, Va., by a vote of 31 to 51, to provide that unemployment compensation to be paid under the terms of the bill would be paid at the rates which prevail in the State where the payments are made. pp. 18692-8

By Sen. Bush, by a vote of 25 to 55, to strike out the section of the bill authorizing the President to reduce or remove entirely all duties which were 5 percent or less on July 1, 1962. pp. 18698-703

By Sen. Dirksen, on behalf of Sen. Javits, to provide for the appointment of an advisory council of 50 members from industry, labor, and agriculture to advise the Special Representative for Trade Negotiations who would be appointed as chief representative of the U. S. on trade negotiations. p. 18704

By Sen. Bush, by a vote of 34 to 45, to provide that the Tariff Commission in making industry determinations shall take into consideration certain economic factors in addition to those listed in the bill. pp. 18704-12

By Sen. Curtis, by a vote of 20 to 63, to provide that each trade agreement shall include provisions designed to maintain or expand the 1957 volume of U.S. agricultural exports and to limit the importation of competitive agricultural products at a volume not in excess of that in 1957. pp. 18712-22

By Sen. Curtis, to reserve from negotiations import duties on products manufactured in substantial part from materials of which the U. S. price is 10-percent or more higher than the world market price. pp. 18723-4

By Sen. Bush, which he stated would provide that the "most-favored-nation policy ... apply to other entities with which we enter into trade agreement." pp. 18724-5

By Sen. Dirksen, by a vote of 28 to 56, to provide that the proposed new trade agreements program shall be for three years, instead of five years. pp. 18725-7

By Sen. Scott, to reserve from trade negotiations such items produced by industries "which are disadvantaged in international competition by governmental policies which directly raise their costs of production." pp. 18729-30

By Sen. Prouty, by a vote of 21 to 54, to provide that the President's reports to Congress on trade agreements entered into shall include a synopsis of the recommendations made to him by the Tariff Commission. pp. 18730-2

Sen. Hartke inserted Commerce Secretary Hodges' recent speech at the Business Opportunity Conference for Indiana Businessmen in support of the proposed Trade Expansion Act of 1962. pp. 18739-40

2. HOUSING. Passed without amendment H. R. 12628, to authorize a program of housing for the elderly in rural areas (pp. 18665-6). This bill will now be sent to the President. The bill includes authorization of \$50 million additional in loan funds for Farmers Home Administration loans to the elderly for building or purchasing homes in rural areas, authorization for the appropriation of



\$50 million for a new program of direct loans to private nonprofit corporations and consumer cooperatives to build moderate-cost rental housing for the elderly, a new Farmers Home Administration insurance program to provide rental housing for the elderly in rural areas, and an increase in the rural grant ceiling from \$500 to \$1,000 for home improvements by owner-occupants whose incomes are so low they cannot qualify for loans from any source.

Sen. Williams, N. J., and Humphrey expressed their pleasure over passage of this bill. pp. 18737-8

3. FORESTRY. Sen. Stennis inserted an item by Sen. Anderson reviewing and commending a new book, "Whose Woods These Are: The Story of the National Forests." p. 18739
4. BUILDINGS. The "Daily Digest" states that the Public Works Committee approved various public buildings projects, including alterations to the South Building of this Department. p. D858
5. WILDLIFE. S. 2138, to provide that a greater percentage of the income from lands administered by the Fish and Wildlife Service be returned to the counties in which such lands are situated, which had been the Senate's unfinished business, was returned to the calendar. p. 18642
6. WATERSHEDS. Received from the Bureau of the Budget plans for works of improvement on Crooked Bayou watershed, Ark., West Fork of Pond River, Ky., Hardin Creek, Tenn., and Mill Creek, Tenn.; to Agriculture and Forestry Committee. p. 18642  
Received from the Budget Bureau plans for works of improvement on Tobesofkee watershed, Ga. (supplemental), Cottonwood Creek, Okla., and Delaware Creek, Okla.; to Public Works Committee. p. 18642
7. STOCKPILE. The Armed Services Committee reported without amendment H. R. 12416, to authorize the sale, without regard to the 6-month waiting period prescribed, of chestnut extract (S. Rept. No. 2061); and H. Con. Res. 509, expressing approval of the Congress for the disposition of certain materials from the national stockpile (S. Rept. 2062). p. 18642
8. TRADEMARKS. The Judiciary Committee reported without amendment H. R. 4333, to amend the Trademark Act so as to clarify certain ambiguities relating to the registration and protection of trademarks. (S. Rept. No. 2107). p. 18642
9. OILS; TAXATION. The Finance Committee reported with amendments H. R. 5260, to make permanent the existing suspensions of the tax on the first domestic processing of coconut oil, palm oil, palm kernel oil, and fatty acids, and combination of mixtures thereof (S. Rept. No. 2102). p. 18643
10. ATOMIC ENERGY. Agreed to the conference report on H. R. 11974, the AEC authorization bill. This bill will now be sent to the President. pp. 18656-7
11. TOWNSITE LAWS. Passed with amendment H. R. 11266, to extend to Alaska the provisions governing the disposition of public lands under the townsite laws so as to permit tracts of land in Alaska to be sold subject to a reservation of the U. S. of coal, oil, and gas. Earlier had vacated action of Sept. 17 in passage of S. 3160. S. 3160 was indefinitely postponed due to passage of H. R. 11266. p. 18667

12. AGRICULTURAL APPROPRIATION BILL, 1963. Began consideration of the conference report on this bill, H. R. 12648. pp. 18596-606

Insisted on disagreement with the following Senate amendments:

No. 1, deleting provision for acquisition of sites by ARS by donation, exchange, or purchase at a nominal cost not to exceed \$100. p. 18601

No. 2, providing \$106,126,500 for ARS for research and demonstrations on the production and utilization of agricultural products, home economics, and related research and services. p. 18601

No. 6, to delete provision of \$760,000 for ARS for construction of facilities and acquisition of the necessary land therefor by purchase, donation or exchange. p. 18602

No. 44, reducing from \$2,278,455,000 to \$2,066,955,000 the appropriation to partially reimburse the CCC for net realized losses sustained during fiscal year 1961. p. 18606

No. 47, to provide funds under P. L. 480 for unrecovered prior years' costs including interest thereon. p. 18606

No. 48, to reduce from \$1,080,632,000 to \$700,000,000 for expenses for the sale of surplus agricultural commodities for foreign currencies pursuant to title I of P. L. 480. p. 18606

No. 49, to reduce from \$250,000,000 to \$189,000,000 for expenses for commodities disposed of for emergency famine relief to friendly peoples pursuant to title II of P. L. 480. p. 18606

No. 50, to increase from \$40,000,000 to \$50,000,000 for expenses for long term supply contracts pursuant to title IV of P. L. 480. p. 18606

No. 51 and No. 52, to provide \$15,650,000 for unrecovered prior years' cost; including interest thereon, under the International Wheat Agreement, and deleting \$81,218,000 for expenses during fiscal year 1963 under the Act. p. 18606

No. 53 and No. 54, to provide \$92,867,000 for unrecovered prior years' costs related to strategic and other materials acquired as a result of barter or exchange of agricultural commodities or products and transferred to the supplemental stockpile, and deleting \$125,000,000 for expenses during fiscal year 1963. p. 18606

Concurred in the following amendments:

No. 4, to provide that \$150,000 shall be available to ARS for the construction and equipping of facilities and acquisition of the necessary land therefor by purchase, donation, or exchange: Provided further, That no funds shall be used to formulate or administer a brucellosis eradication program for fiscal year 1964 that does not require minimum matching by any State of at least 40 percentum.

No. 25, to provide \$95,423,000 for administrative expenses for ASCS, provided that in addition, not to exceed \$51,379,500 may be transferred to and merged with this appropriation from the Commodity Credit Corporation fund, and additional amounts not to exceed \$30,000,000 may be transferred contingent upon the enactment of H. R. 12391, Food and Agriculture Act of 1962. p. 18606

No. 38, to provide that not to exceed \$225,000 shall be transferred by the Secretary from other appropriations available to the Department of Agriculture for the expenses of the Office of Internal Audit and Inspection. p. 18606

No. 40, to provide that \$50,000,000 of the appropriation for operating loans for FHA shall be placed in reserve to be used only to the extent required during the fiscal year 1963 under the then existing conditions for the



fraught with difficulties and far from perfect has been worked out by several Congresses and revised to more nearly fit the requirements.

"Third, we pray that only will you preserve the peril point, but you make such peril points binding on the executive branch.

"Let me try to support our position with a few direct quotations, and I quote: 'Sweeping changes in our foreign trade policies are not necessary'—I am quoting from a letter written to Gov. E. F. Hollings, August 31, 1960. Second: 'I supported the peril point and the escape clause, both of which are in the present Reciprocal Trade Act. I would not ask additional legislative action, however, on reciprocal trade.' This is from a TV broadcast, Portland, Maine, September 2, 1960. Thirdly: 'I believe we can protect our domestic industry within present laws, with Presidential leadership, with a knowledge of the problem, with effective workings between the President and the State Department and countries abroad, and with the provisions in present reciprocal trade laws if vigorously, effectively, and responsibly administered.' (Address, New York City, October 12, 1960.)

"Gentlemen, all of these quotations are, to my best belief, accurate and quotations of talks by John F. Kennedy made while campaigning for the Presidency of the United States."

Eugene Stewart, counsel, Man-Made Fiber Producers Association, Inc. Because of the adverse trade balance between 1954 and 1960, 305,000 jobs were lost. He said: "Why penalize the President? Why make him operate with economic blinders? We ask this committee to restore to the President the blueprint for action represented by the peril-point findings."

T. C. Keeling, Jr., vice president and general manager, Chemicals and Dyestuffs Division, Koppers Co., Inc. He stated that the bill would wipe out the chemical industry's favorable balance of trade presently existing. He said: "The bill offers no peril-point procedure requiring that products, which would be hurt by unfair import competition, not be subject to tariff negotiation. The peril-point procedure would help to prevent U.S. industry being irreparably damaged in those cases where it could be foreseen beforehand that tariff reductions would put them in jeopardy."

Winthrop K. Coolidge, president, Chicago Copper & Chemical Co. The labor cost of European competitors is one-third that of the U.S. labor cost. He said: "If the Reciprocal Trade Act must be renewed, we recommend that (a) the peril-point clause should be stiffened to prohibit the breaching of it. President Kennedy stated in his recent announcement of the results of the negotiations last year, that the negotiators had breached the peril point 60 or 70 times."

Clark L. Wilson, chairman, Emergency Lead-Zinc Committee: "4. Under the Trade Agreements Extension Act, negotiations for tariff reductions are preceded by peril-point hearings before the Tariff Commission to determine whether tariff reductions are warranted and to establish peril points as limits of tariff reductions. These peril points have been an important deterrent to unwarranted comprehensive rate reduction and should not be weakened as proposed in H.R. 11970."

"We wish to state again that our industry does not fail to recognize the importance of world trade, and it is not opposed to the general goals that the administration wishes to attain. It is, however, unequivocally opposed to the principle in the proposed legislation that would anticipate and accept the possibility of sacrifice of important natural resource industries in our Nation. We do not believe it is in the national interest for the brush to sweep so broadly."

Theodore E. Veltfort, managing director, Copper & Brass Research Association. The 1961 German wage rate of their competitor was 73 cents an hour. In the United States the wage rate is \$2.60 an hour. He said: "H.R. 11970 would change all this. While H.R. 11970 provides for a Tariff Commission proceeding prior to negotiations for further reductions in our tariffs, the similarity to existing peril point proceedings stops there. Instead of finding a specific peril point, the Commission would merely make a general inquiry 'as to the probable economic effect' of further tariff reductions."

"If a proceeding before the Tariff Commission prior to our negotiation of a trade agreement is to mean something, the vague and loose standards now found in H.R. 11970 should be changed to accord with the present law on peril point proceedings."

H. S. Potter, vice president of sales, Carpenter Steel Co., Reading, Pa., and chairman of the Tool and Fine Steel Industry Committee. He stated that the fine steel imported from Austria was 53 percent under the U.S. price. He said: "It is also to be emphasized that the bill retains only the facade of the peril-point provision of existing law. Briefly, the Tariff Commission may not find any specific level of duty below which injury would be likely to occur but may only 'advise' as to the 'economic' effect of reductions or eliminations. Consequently, the President need not report that any recommendation or finding was rejected, and the economic conclusions of the Commission would not permit Commission analysis only of the effect on overall industry operations of proposed reductions, a particular detriment to tool and fine steel."

C. W. McMillan, executive vice president, American National Cattlemen's Association: "We cannot agree with this view. Tariffs have been employed by nations for centuries to protect themselves from outside encroachments which are beyond their control—much in the same way, perhaps, as nations have used their armies to protect against invading physical forces."

"Economic forces within the Nation, we believe, should have free play to arrive competitively at the balances set by supply and demand, and these balances should not be allowed to be overturned by outside forces to the detriment of our industries."

"We believe that tariffs and other protective devices are essential to the progress of our economy in cases where an industry, because of products or services peculiar to our Nation's needs, cannot be expected to meet foreign competition."

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, on the Bush amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote on the Bush amendment be taken at 2:15 p.m.

The PRESIDING OFFICER. Is there objection?

Mr. MANSFIELD. Mr. President, I withdraw my request.

The PRESIDING OFFICER. The request is withdrawn.

## HOUSING FOR THE ELDERLY

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 2015, H.R. 12628.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 12628) to provide additional funds under section 202(a) (4) of the Housing Act of 1959, and to amend title V of the Housing Act of 1949, in order to provide low- and moderate-cost housing, both urban and renewal, for the elderly.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. SPARKMAN. Mr. President, the bill was passed by the House on a yeas-and-nays vote with only six votes in opposition.

The bill was then considered by the Senate Committee on Banking and Currency and was reported without a dissenting vote.

The bill provides an additional authorization of \$100 million for housing for elderly persons under section 202 of the Housing Act. Also it provides for housing for the elderly under the farm housing program in an amount of \$50 million for homeownership and \$50 million in the direct loan program. This simply means provision of additional authorization for housing for the elderly in urban areas and brings into the housing program elderly persons in rural areas.

Since Congress first enacted a program of housing for the elderly, it has proved to be one of the best and most popular programs. I believe that the almost unanimous support which the bill received on a yeas-and-nays vote in the House is an eloquent testimonial to its demand, to its need, and to the recommendation which the Members of the House, who come from all sections of the country, gave it.

SENATOR CARROLL SUPPORTS INCREASED DIRECT LOAN SENIOR CITIZENS HOUSING PROGRAM

Mr. CARROLL subsequently said: Mr. President, the Nation's population of senior citizens 62 and over now number about 21 million and by 1980, less than 18 short years away, will mount to a grand total of around 30 million. Over the years, our elderly citizens—our parents, dear relatives, and friends—have contributed to the development and emergence of the United States of America as the leading nation in the world. As they enter the golden years of life they are our reservoir of knowledge and experience which are both invaluable and irreplaceable. We owe it to all of them to help assure that these later years are enjoyed with dignity, privacy, and independence. Further, we need their active and interested support in community affairs, participating in all of our activities and helping to shape our country's future as in the past.

The increase in the authorization for direct loans which we enacted today will be of great help to our senior citizens. Housing for our elderly provides the



base from which they can continue as contributing members of society and this legislation, providing for an additional authorization for the senior citizens housing program will finance the construction of about 10,000 additional housing units. Although these would only add a small percentage of the vast number of the homes needed by our older people—recently estimated at 5 million units by the Subcommittee on Housing for the Elderly—the program would permit sponsors to plan ahead in the knowledge that the Congress is prepared to assist in the development of these projects.

In 1960, 158,000 residents or 9 percent of my State's population were 65 years of age or over. Their numbers had increased by 36.8 percent during the previous 10 years or a little faster than the national average of 34.7 percent. The increase in the number of elderly 65 and over in the past decade was exceeded only by the increase in the number of children between 5 and 14, and in sharp contrast, the total population of the Nation increased by but 18½ percent. This rapid buildup of the number of older people poses a real social challenge to all of us and the manner in which we seek to assure their prime requirements in life will be a major determinant of how the rest of the world evaluates our image as a civilized society.

We, in Colorado, can take great pride in the activity and interest in the housing programs for senior citizens. We have, or will have, projects which receive Federal assistance under each of the existing programs including public housing, the FHA mortgage insurance program, and the direct loan program. This widespread interest and activity in these special programs for senior citizens housing is a real credit to the leadership of President Kennedy and to the Administrator of the Housing and Home Finance Agency, Robert C. Weaver, and his Office of Housing for Senior Citizens, who have been focusing their attention on the housing needs of our elderly—needs which have been neglected all too long.

The direct loan program is certain to have a strong impact on the development of housing for our seniors in Colorado. I am pleased to note that as of June 30, 1962, 5 applications for a total of 377 units were in process under this program. These projects would provide a wide choice of good housing for our elderly residents of Arvada, Colorado Springs, Denver, Grand Junction, and Pueblo.

Thus, it is evident that these programs are fulfilling a real need.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading and was read the third time.

Mr. BUSH. Mr. President, I desire to support the recommendation of the Senator from Alabama that the bill be passed. I know of no opposition to it on this side of the aisle. I do not believe there was any opposition to the bill in the Committee on Banking and Currency.

So I join with the Senator from Alabama in recommending the passage of the bill.

Mr. SPARKMAN. I thank the Senator from Connecticut.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 12628) was passed.

Mr. SPARKMAN. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. BUSH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BURDICK in the chair). Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote on the Bush amendments be held at 2:15 p.m. today.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call may be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### PRODUCTION AND DISTRIBUTION OF EDUCATIONAL AND TRAINING FILMS FOR THE DEAF

Mr. PELL. Mr. President, I ask the Presiding Officer to lay before the Senate the amendment of the House of Representatives to S. 2511.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2511) to provide for the production and distribution of educational and training films for use by deaf persons, and for other purposes, which was, on page 2, strike out line 24 over through and including line 2 on page 3, and insert:

(c) Section 4 of such Act is amended by striking out "\$250,000" and inserting in lieu thereof "\$1,500,000".

Mr. PELL. Mr. President, in paragraph (4) of section 1(b) of S. 2511 it is intended that the word training should be broadly interpreted so that the Secretary of the Department of Health, Education, and Welfare would be authorized to produce and to distribute educational films for the education of the deaf as well as films which might be regarded as training films for particular jobs.

This question was raised on the floor of the House, and as chairman of the

subcommittee which held hearings on this legislation, I should like to bring it out as a matter of legislative intent during the Senate consideration of this bill.

I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on the motion of the Senator from Rhode Island.

The motion was agreed to.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### PRACTICES IN CONNECTION WITH PLACING OF MINOR CHILDREN FOR PERMANENT FREE CARE OR FOR ADOPTION

Mr. KEFAUVER. Mr. President, the Senate may well congratulate itself upon the vision and wisdom reflected by its approval on yesterday of the bill (S. 654) to make unlawful certain practices in connection with the placing of minor children for permanent free care or for adoption.

It is to be hoped that the House will now follow our example, for there is a great need to curb the nefarious interstate trafficking in babies that has been shown beyond dispute to exist in our Nation.

The bill will close one of the biggest holes in our present crazy-quilt system of adoption laws, which permit unscrupulous "baby brokers" to operate, encourage irresponsible placements even where no profit motive exists, and wreck untold numbers of lives.

If there is any field in which State laws should be uniform—and uniformly strong—this is it. Conscientious child-welfare workers are the first to admit that the adoption law of one State, no matter how strong, is handicapped by the absence of equally strong laws in other States.

Organizations are working for the establishment of a nationwide Uniform Motor Vehicle Code. Congress has passed laws such as the Dyer Act and the Mann Act to control interstate automobile theft and white slavery.

All of this is commendable. Yet, we have not seen to it that our children are accorded the same consideration, the same protection, as a used car or a mature woman.

With Senate passage of S. 654, however, we are on the way toward this goal. One section would outlaw interstate baby selling. That is, it would become a Federal felony to ask for or receive compensation to place or arrange to place a child for adoption across State lines.

Another section would make it a felony to induce or arrange for a parent or prospective parent to cross State lines in



lahoma was defeated. No one has falsified the records of the committee. I do not think the Senator from Oklahoma is accusing anyone of so doing. I know of no one who was confused except the Senator from Oklahoma.

I have offered this as a substitute. I think it is a very reasonable substitute. It definitely makes it prospective. The other members of the committee with the exception of the Senator from Oklahoma knew what they were doing. Our committee usually knows what it is doing. I will say further that the Senator from Oklahoma usually knows what he is doing.

Mr. President, I ask for a vote.

Mr. MANSFIELD. Mr. President, I had hoped the impasse which now confronts the Senate would not be facing us at this time. I have nothing but the highest degree of respect, affection, and confidence for and in both the distinguished senior Senator from Oklahoma [Mr. KERR] and the distinguished senior Senator from Delaware [Mr. WILLIAMS]. I am sorry that it seems impossible at this time to bring about an accommodation on the part of the two Senators. I would like, however, to make one attempt on my own, and this is being done without having discussed this suggestion either with the Senator from Oklahoma or the Senator from Delaware.

If I may have the attention of both Senators, I would like to make this proposal: On line 10, page 21, strike out "notwithstanding any other provision of law or any provision of any trade agreement," retain the word "impose," and insert between the word "impose" and the word "duties" on line 11 the word "such" so as to read "impose such duties or other import restrictions on the products of any foreign country or instrumentality," and so forth and so on.

Would that be satisfactory to both Senators?

Mr. WILLIAMS of Delaware. That would run into more trouble downtown than before.

Mr. MANSFIELD. This is the Senate. I am asking Senators if they will reach an accommodation. I think we can handle our own responsibilities.

Mr. WILLIAMS of Delaware. I agree with the Senator that this is the Senate, but I also want to say that the Senate committee was in agreement on this language until someone from downtown came up here and insisted that it be changed. The Senate is made up of adults. We are competent to act. Why jump every time the State Department snaps its fingers. The objection, and the only objection, which was raised at first was that the provision could be interpreted to be retroactive. I said it was clearly intended that it should not be retroactive; and if necessary I said I would see that the language was changed in any manner necessary to make sure that it would not be retroactive. This language would be in conference if there were a further complication.

I think the action of the committee should be sustained.

Mr. KERR. Mr. President, may I see what the Senator from Montana has suggested?

Mr. President, after looking at the wording, I recommend the adoption of the suggestion of the majority leader.

Mr. MANSFIELD. Mr. President, will the Senator from Delaware make his wishes known?

Mr. WILLIAMS of Delaware. No—not with the other language stricken out.

Mr. MANSFIELD. I have done the best I could. Is there to be a vote on the Williams substitute at this time?

Mr. WILLIAMS of Delaware. I am willing to vote now on the substitute. Is the Senate to stay in session and complete action? I would like to have a yeand-nay vote on the substitute language.

#### HOUSING FOR THE ELDERLY ACT

Mr. WILLIAMS of New Jersey. Mr. President, I am extremely pleased to see Senate passage today of the bill, H.R. 12628, to increase funds for the loan program to provide housing for the elderly.

New Jersey has long taken an active, interested part in the development of specially designed housing for senior citizens. My State is a recognized leader in the field of public housing for our older citizens and we have a large number of projects in numerous communities already occupied, under construction and in various planning stages.

There is also a great need for special housing for our senior citizens whose incomes are just a little too high to be eligible for public housing and yet are too low to permit them to obtain good, suitable housing in the private market. The direct loan program, administered by the Community Facilities Administration of the Housing and Home Finance Agency, is aimed at helping to fill that gap, and its present authorization of \$125 million is far too small to permit the program to fulfill its objectives. The present proposal to increase the authorization to \$225 million is of course a small step in the right direction, and I fully support its enactment.

The record shows that applications for direct loans total much more than the amount presently authorized, and the increased authorization would encourage other groups and sponsors to continue their plans for the development of good senior citizens housing in the knowledge that Congress will support their programs. The Housing and Home Finance Agency, directed by Administrator Robert C. Weaver and his Office of Housing for Senior Citizens are to be commended for their continuing and enthusiastic support of the Federal programs for senior citizens housing. President Kennedy urged the Nation to move forward, and the results in the housing for senior citizens programs show real progress. On an overall basis, commitments in 1961 for specially designed housing units for the elderly in the three special rental housing programs more than doubled the 1960 pace.

Moreover, in 1961 alone, applications for Federal assistance in the development of these housing units almost equaled the total received during the previous 5 years. This is a record all of us can be proud to share.

A number of applications for direct loans for senior citizen housing have been made by prospective sponsors in New Jersey and at the present time two applications for projects are being processed by the Community Facilities Administration; one would be located in Atlantic City and would provide for a total of 231 units and another sponsor would build a project of 50 units in East Orange.

Applications for mortgage insurance under the FHA nursing home program have been received for projects in Elizabeth, Linwood, Ridgewood, Roxbury Township, Teaneck, and Westwood. In total, these projects will add 479 beds to the nursing home structure in my State and our elderly will benefit in large part from these additions to the supply of skilled nursing home facilities. I am also pleased to note that there is one application—profit motivated—in process for quite a large senior citizens housing complex of 580 units proposed for Atlantic City which would be developed under the FHA section 231 housing for the elderly program.

It is reassuring to note that interest in sponsoring suitable housing for our elderly is mounting all over the country. Our older population in New Jersey need many, many units at prices they can afford to pay. The enactment of H.R. 12628 which occurred today will further stimulate this interest and demonstrate that Congress is responsive to the needs and will of the people.

#### IN SUPPORT OF THE PROPOSAL TO INCREASE THE AUTHORIZATION FOR THE DIRECT LOAN SENIOR CITIZENS HOUSING PROGRAM

Mr. HUMPHREY. Mr. President, it is indeed a great pleasure for me to congratulate the Senate on increasing the funds to be authorized for the senior citizens housing program. Increasing the authorization to \$225 million from the present \$125 million level as provided in this bill will lend strong support and encouragement to the prospective sponsors of such projects to proceed with their plans.

To our millions of elderly citizens, who within themselves contain vast resources of knowledge and experience—but who are in the millions of cases, in need of better, more suitable housing—the approval today of this increase will indicate that Congress is meeting its responsibilities and keeping faith with the national housing policy.

In our own great State of Minnesota, we are already fortunate and pleased that good progress is being made to meet some of the housing needs of our thousands of elderly citizens. Counting only those who are 65 years of age and over, slightly over 10 percent of the popula-



tion fall within that age group—169,000 in 1960; and since the Federal programs provide that persons 62 and over are eligible for occupancy of the federally assisted housing projects for the elderly, an even larger percentage of the population of the State are eligible.

I am pleased to note that there are applications in various stages of processing for specially designed senior citizens housing in each of the major federally assisted programs—in public housing, in the FHA mortgage insurance program, and in the direct loan program. I have been impressed by the new vitality which has developed in these programs since President Kennedy was inaugurated and by the effective work of Robert C. Weaver, the Administrator of the Housing and Home Finance Agency and his staff.

Dr. Weaver is to be congratulated for his foresight in organizing a central Office of Housing for Senior Citizens to coordinate these programs. It was particularly encouraging to note that in the first year of the Kennedy administration, applications for senior citizens housing units almost equalled the total received during the previous 5 years, and that commitments for these units in 1961 alone more than doubled the 1960 total.

I am very encouraged to note that, as of June 30, 1962, data show that special housing projects for our Minnesota senior citizens are planned for or being constructed or already exist in at least 18 different communities, and that these communities run the gamut from such small towns as Blue Earth, Glenwood, Hoffman, and Montivedeo to our leading metropolitan cities including Duluth, Minneapolis, and St. Paul.

Included among the projects are 11 under the direct loan program for a total of 982 units. Two projects with 102 units are under construction, 4 projects with 516 units have received loan agreements and 5 projects with 516 units are in the application processing stage. The public housing projects include 1,840 units, and the FHA mortgage insurance program will provide for another 416 units. The FHA also has an application for a nursing home to contain 92 beds—which will help to fill the need for nursing care, most of which stems from our elderly population.

While we are far from meeting the housing needs of our own senior citizens and only making the most modest plans for assisting in the development of the 5 million units which the recent report by our Subcommittee on Housing for the Elderly suggests are needed, today's increase in the present authorization for the direct loan program to \$225 million is a step in the right direction.

#### COMMUNITY PROFILES— PROVIDENCE, R.I.

Mr. PELL. Mr. President, I was most pleased and proud to note that the August 1962 edition of Footlight, issued by the National Culture Center, pays tribute to the dynamic efforts to my own State of Rhode Island on behalf of the National Culture Center.

Under the exceptionally capable leadership of Mr. John Nicholas Brown, a Rhode Island program has been organized which I believe compares most favorably with the efforts of any other State in the Union.

I ask unanimous consent that the article "Community Profiles—Providence, R.I.," which appeared in the August 1962 edition of Footlight, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### COMMUNITY PROFILES—PROVIDENCE, R.I.

The smallest State in the Union has a most impressive list of sponsors for the November telecast. So many enterprises are interested in participating that the Rhode Island Committee for the National Cultural Center was formed, under the dynamic leadership of John Nicholas Brown, a board of trustees member.

With the assistance of his public relations adviser, Will Barbeau, Mr. Brown has made his group into one of the most vigorous associated with the center. Two separate events for the night of the telecast are being planned. A \$100-a-plate dinner will be given in the Biltmore ballroom, while, in the Veterans' Auditorium, 2,000 seats will be offered at an average price of \$10 each. Mr. Brown's committee has set \$60,000 as their goal for the evening.

Among the sponsoring groups linked to the committee are three whose activities lie in contrasting areas of the performing arts. They are the Rhode Island Philharmonic Orchestra, the Civic Choral, and the Rhode Island Associated Community Theaters.

In addition to its regular concerts, the Philharmonic directs a substantial part of its efforts to providing music for the State's youth. One-third of the support for such concerts comes from the children's own voluntary quarters. The 17-year-old, 50-piece orchestra is under the musical direction of Francis Madeira.

The purpose of the Civic Choral, under its president, Mrs. Edwin Hallenbeck, and its conductor, Dr. Louis Pichieri, is to present religious and secular choral works, while at the same time helping those with serious musical ambitions to make a start. The choral gives three concerts a year, and will present a Bach festival next year for the first time.

The Rhode Island Associated Community Theaters is made up of 12 theatrical companies, playing across the State. Headed by Rhode Island Associated Community Theaters president, Irving Silverman, the groups work together, exchanging technical and educational information. They even call upon each other to assist in casting difficult roles.

Providence, R.I., provides conspicuous proof that energetic encouragement of the performing arts is not governed by territorial size.

#### THOMAS G. MASARYK: FREEDOM FIGHTER; FOUNDER OF FREE CZECHOSLOVAKIA

Mr. PELL. Mr. President, last Friday, September 14, marked the 25th anniversary of the death of the great European and Czechoslovak statesman, the founder of the Czechoslovak Republic in 1912, Thomas G. Masaryk. As a result of the years I was stationed with our Embassy in Prague and established the American Consulate General in Bratislava and through subsequent trips to Czechoslo-

vakia, I have developed a special appreciation for Masaryk's greatness.

Masaryk's name is hated by the Bolsheviks, but sacred to the Czechoslovak people who remain in spite of all the pressure of the Communist regime faithful to Masaryk's democratic ideas. The Communists have good reason to fear the memory of Thomas Masaryk. In 1898, long before he became the first President of the Czechoslovak nation, he wrote a scholarly study critical of Marxism. I was shocked to learn just today that a wreath which was placed by the American Embassy in Prague on the tomb of Thomas Masaryk with the inscription "From the American People," was removed immediately by the Communist government. So, it is, indeed, obvious that the memory of Thomas G. Masaryk still frightens those who are afraid of freedom.

I know of few men more devoted to the principles of T. G. Masaryk than Dr. Peter Zenkel, the president of the executive committee of the Council of Free Czechoslovakia, and I take this opportunity to salute this brave man who defied the Nazis and the Communists and who now continues to fight for his country's freedom in exile here in America.

Mr. President, the Council of Free Czechoslovakia recently issued a proclamation in honor of the 25th anniversary of Masaryk's death, and I ask unanimous consent that the proclamation be printed in the RECORD.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

#### T. G. MASARYK, 1850-1937-1962—HE PASSED AWAY 25 YEARS AGO

The Council of Free Czechoslovakia reminds all Czechs and Slovaks at home and abroad as well as the whole cultured world that, on September 14, 1962, a quarter of a century has already elapsed since the death of the great philosopher and founder of the Czechoslovak Republic, T. G. Masaryk. Of course it was only his body and soul that left us. In our thoughts, in our daily life and in our political struggle he is with us more than ever. All democratic Czechs and Slovaks are inspired by his example and believe in the democracy he wanted, in a democracy of free and responsible people, in a humanitarian democracy of high cultural standards.

A quarter of a century after Masaryk's death we see his personality from a higher vantage point and in a deeper historical context. And from this vantage point, which only history can offer, Masaryk's personality, Masaryk's teachings, and Masaryk's work appear in a new light.

During the time of his professorship at Charles University and his public activity, his contemporaries considered Masaryk as being too modern and too radical. In his classes he discussed Western philosophical ideas, little known at that time in Czech academic circles. He developed his own philosophy of Czech history. He advocated the emancipation of women and was opposed to their inferior position in the family and in public life. He opposed the domination of the state by one single church, and fought bitterly against the prejudices against Jews. He advocated more advanced education of the common people and opposed the special rights of the privileged social classes. He fought for the moral rebirth of the nation as well as for the full establishment of civil









Public Law 87-723  
87th Congress, H. R. 12628  
September 28, 1962

## An Act

To provide additional funds under section 202(a)(4) of the Housing Act of 1959, and to amend title V of the Housing Act of 1949, in order to provide low and moderate cost housing, both urban and rural, for the elderly.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Senior Citizens Housing Act of 1962".

Senior Citizens  
Housing Act of  
1962.

SEC. 2. The Congress finds that there is a large and growing need for suitable housing for older people both in urban and rural areas. Our older citizens face special problems in meeting their housing needs because of the prevalence of modest and limited incomes among the elderly, their difficulty in obtaining liberal long-term home mortgage credit, and their need for housing planned and designed to include features necessary to the safety and convenience of the occupants in a suitable neighborhood environment. The Congress further finds that the present programs for housing the elderly under the Housing and Home Finance Agency have proven the value of Federal credit assistance in this field and at the same time demonstrated the urgent need for an expanded and more comprehensive effort to meet our responsibilities to our senior citizens.

SEC. 3. (a) Section 202(a)(4) of the Housing Act of 1959 is amended by striking out "\$125,000,000" and inserting in lieu thereof "\$225,000,000".

Loans, revolving fund.  
73 Stat. 667;  
75 Stat. 163.  
12 USC 1701q.

(b) Effective with respect to applications for loans under section 202 of the Housing Act of 1959 made after the date of the enactment of this Act—

(1) section 202(d)(1) of such Act is amended by striking out "(A)", and by striking ", and (B)" and all that follows and inserting in lieu thereof a period;

(2) section 202(d)(7) of such Act is amended by striking out all that follows "new structures" and inserting in lieu thereof a period; and

(3) section 202(d)(8) of such Act is amended by striking out "(A)", and by striking out ", and (B)" and all that follows and inserting in lieu thereof a period.

SEC. 4. (a) (1) Section 501 of the Housing Act of 1949 is amended—

Farm housing,  
financial assistance.  
63 Stat. 432.  
42 USC 1471.

(A) by striking out the period at the end of subsection (a) and inserting in lieu thereof the following: ", and (3) to elderly persons who are or will be the owners of land in rural areas for the construction, improvement, alteration, or repair of dwellings and related facilities, the purchase of previously occupied dwellings and related facilities and the purchase of land constituting a minimum adequate site, in order to provide them with adequate dwellings and related facilities for their own use.";

76 STAT. 670.  
76 STAT. 671.

(B) by inserting at the end of subsection (b) the following new paragraph:

"(3) For the purposes of this title, the term 'elderly persons' means persons who are 62 years of age or over.";

"Elderly persons."

(C) by inserting immediately before the semicolon at the end of clause (1) of subsection (c) the following: ", or that he is an elderly person in a rural area without an adequate dwelling or related facilities for his own use".

(2) Section 502(a) of such Act is amended by adding at the end thereof the following new sentence: "In cases of applicants who are elderly persons, the Secretary may accept the personal liability of any

Loans for housing on adequate farms.  
42 USC 1472.



person with adequate repayment ability who will cosign the applicant's note to compensate for any deficiency in the applicant's repayment ability."

(b) Title V of the Housing Act of 1949 is amended by adding at the end thereof the following new section:

**"DIRECT AND INSURED LOANS TO PROVIDE HOUSING AND RELATED FACILITIES FOR ELDERLY PERSONS AND FAMILIES IN RURAL AREAS**

"SEC. 515. (a) The Secretary is authorized to make loans to private nonprofit corporations and consumer cooperatives to provide rental housing and related facilities for elderly persons and elderly families of low or moderate income in rural areas, in accordance with terms and conditions substantially identical with those specified in section 502; except that—

"(1) no such loan shall exceed the development cost or the value of the security, whichever is less;

"(2) such loans shall bear interest at rates determined by the Secretary, not to exceed the maximum rate provided in section 202(a) (3) of the Housing Act of 1959; and

"(3) such a loan may be made for a period of up to fifty years from the making of the loan.

There is authorized to be appropriated not to exceed \$50,000,000, which shall constitute a revolving fund to be used by the Secretary in carrying out this subsection.

"(b) The Secretary is authorized to insure and make commitments to insure loans made to any individual, corporation, association, trust, or partnership to provide rental housing and related facilities for elderly persons and elderly families in rural areas, in accordance with terms and conditions substantially identical with those specified in section 502; except that—

"(1) no such loan shall exceed \$100,000 or the development cost or the value of the security, whichever is least;

"(2) such loans shall bear interest at rates determined by the Secretary, not to exceed the maximum rate provided in section 203(b) (5) of the National Housing Act;

"(3) provide for complete amortization by periodic payments within such term as the Secretary may prescribe;

"(4) for insuring such loans, the Secretary shall utilize the Agricultural Credit Insurance Fund subject to all the provisions of section 309 and the second and third sentences of section 308 of the Consolidated Farmers Home Administration Act of 1961, including the authority in section 309(f) (1) of that Act to utilize the insurance fund to make, sell, and insure loans which could be insured under this subsection; but the aggregate of the principal amounts of such loans made by the Secretary and not disposed of shall not exceed \$10,000,000 outstanding at any one time; and the Secretary may take liens running to the United States though the notes may be held by other lenders; and

"(5) no loan shall be insured under this subsection after June 30, 1964.

"(c) No loan shall be made or insured under subsection (a) or (b) unless the Secretary finds that the construction involved will be undertaken in an economical manner and will not be of elaborate or extravagant design or materials.

63 Stat. 432.  
42 USC 1471-  
1484.

42 USC 1472.

73 Stat. 667.  
12 USC 1701q.

Appropriation.

68 Stat. 591.  
12 USC 1709.

Agricultural Credit  
Insurance Fund.  
75 Stat. 309, 308.  
7 USC 1929, 1928.  
76 STAT. 671.  
76 STAT. 672.

Loan authority,  
expiration date.

"(d) As used in this section—

"(1) the term 'housing' means new or existing housing suitable for dwelling use by elderly persons or elderly families; Definitions.

"(2) the term 'related facilities' includes cafeterias or dining halls, community rooms or buildings, appropriate recreation facilities, and other essential service facilities;

"(3) the term 'elderly persons' means persons who are 62 years of age or over; and the term 'elderly families' means families the head of which (or his spouse) is 62 years of age or over; and

"(4) the term 'development cost' means the costs of constructing, purchasing, improving, altering, or repairing new or existing housing and related facilities and purchasing and improving the necessary land, including necessary and appropriate fees and charges approved by the Secretary.

"(e) Amounts made available pursuant to section 513 of this Act shall be available for administrative expenses incurred under this section." 63 Stat. 438;  
75 Stat. 186.  
42 USC 1483.

(c) (1) Section 511 of the Housing Act of 1949 is amended—

(A) by striking out "section 504(b)" and inserting in lieu thereof "section 504(b) or 515(a)"; and 42 USC 1481.  
42 USC 1474.

(B) by striking out "\$650,000,000" and inserting in lieu thereof "\$700,000,000, of which \$50,000,000 shall be available exclusively for assistance to elderly persons as provided in clause (3) of section 501(a)". Ante, p. 671.

(2) Section 506(a) of such Act is amended by striking out "section 514" each place it appears and inserting in lieu thereof "sections 514 and 515". 42 USC 1471.  
42 USC 1476.  
42 USC 1484.

(3) Section 504(a) of such Act is amended by striking out "(1) in the form of a loan, or combined loan and grant, in excess of \$1,000, or (2) in the form of a grant (whether or not combined with a loan) in excess of \$500" and inserting in lieu thereof "in the form of a loan, grant, or combined loan and grant in excess of \$1,000".

(4) Paragraph (12) of section 5200 of the Revised Statutes (12 U.S.C. 84) is amended by inserting "or title V of the Housing Act of 1949," immediately before "shall be subject under this section".

Approved September 28, 1962.







